The women of San Diego

ANALYSIS OF STATE GOVERNMENT AND POLITICS

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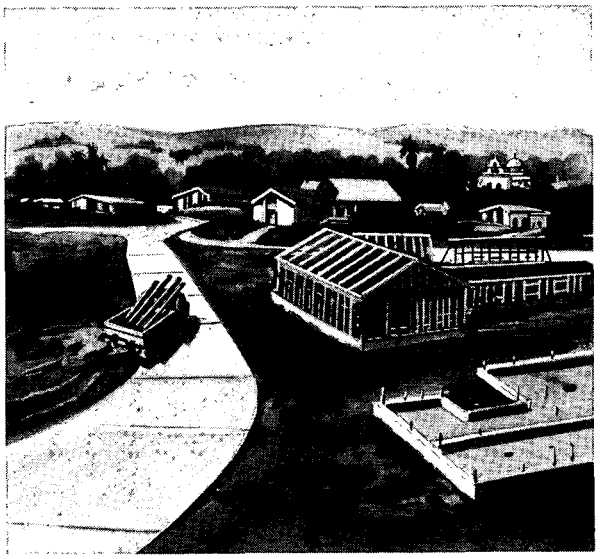

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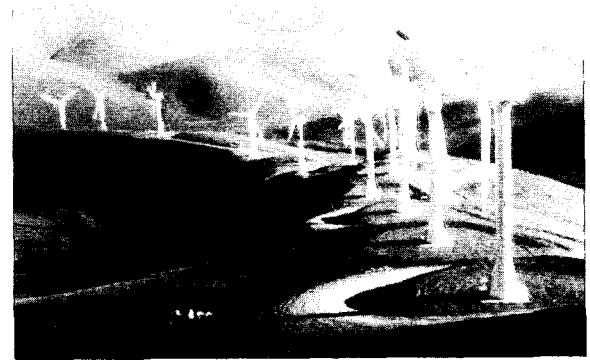

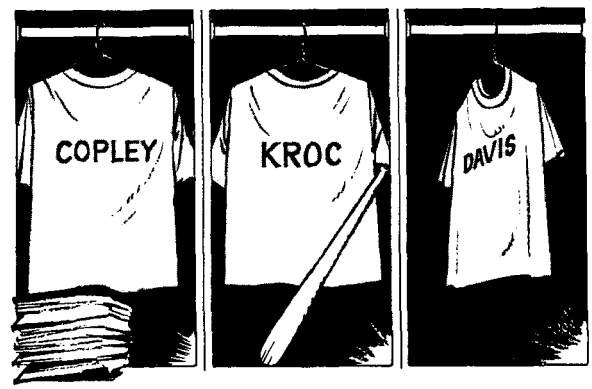

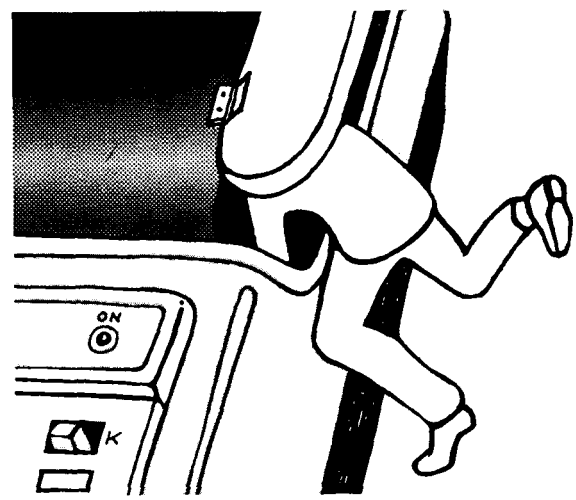

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UP FRONT

Sun Valley, Idaho. Sun River, Oregon. Jackson Hole, Wyoming. Aspen, Colorado. Santa Fe, New Mexico. What do these Western resorts have in common? At one time or another, each has played host to the Western Governors' Conference — an annual excuse for 20 governors and their staffs from Colorado to American Samoa to get together for a few days of palaver and recreation. Usually, the confab takes place in some scenic backwater, preferably one with a handy golf course. This year's conference is slated for July in California where Governor George Deukmejian will play host. And just which of the state's many scenic recreational settings has the Duke reserved for his fellow chief execs? Lake Tahoe? Palm Springs? Yosemite Park? Napa? Carmel? Forget it. Deukmejian went straight for California's real tourist mecca — Long Beach. In announcing his choice, Deukmejian pointed out that Long Beach (his hometown, coincidentially) is only 30 minutes from Disneyland. Not to be missed on the conference agenda is a sure-to-be-lively briefing on operations at the Port of Long Beach. As for the conference theme, the governor picked "Going Global: A Western States' Trade and Prosperity Strategy." As they say, you can take the governor out of Long Beach, but you can't take Long Beach out of the governor.

Lawsuit of the month. Democratic Assemblyman Johan Klehs has asked a Sacramento Superior Court to do what Klehs could not: get one of his bills out of the Assembly. The legislation (AB 16) would have denied corporate tax exemptions to private clubs that discriminate against women, minorities or anyone else. The bill received 47 votes but fell seven votes short of the two-thirds majority needed to pass. Klehs' lawsuit, joined by Common Cause, asks that the court send AB 16 to the Senate anyway. Essentially, Klehs and Common Cause dispute a Legislative Counsel finding that AB 16 raised state revenues and therefore needed 54 votes to pass. Klehs alleges that legislative lawyers misinterpreted the law. Named in the suit were Assembly Speaker Willie Brown Jr., Assembly Clerk Brian Kidney, and the Assembly itself. According to Kidney and Klehs spokesman Jay Greenwood, this is the first time a member has gone to court to move a failed bill out of the Assembly. Why do we fear that Pandora's box has been tampered with, again?

Kevin Brett, Governor Deukmejian's chief spokesman, found himself in jail last month. Brett was attending the governor's senior staff meeting when a Highway Patrolman burst in, ordered Brett against the wall, handcuffed him and escorted him out of the Capitol under the gaze of startled tourists. The charge? Impersonating a press secretary.

His arrest had been arranged by members of the Capitol press corps for the American Cancer Society's "Jail and Bail" fund raiser during which scores of Sacramentans are carted off to a mock jail and ordered to raise donations in the form of "bail." Brett, who went along good naturedly, called the governor's office to help raise the $300 bail. Deukmejian denied knowing Brett but coughed up $20 anyway, as did various other members of the governor's staff. The only press corps member to help out was *Los Angeles Times* bureau chief George Skelton. Despite the best intentions of Capitol reporters, Brett was eventually released.

It's nice to be here. Say, where are we, anyway? White House advance teams are supposed to be the best in the business. Which doesn't say much for the business following President George Bush's blitz through California this past May. Not only did the trip snub Governor Deukmejian, but Bush's advance team seemed to lack any information about such things as the president's schedule and why he was making the stops he was making. There was plenty of misinformation, however. In Palo Alto, for example, the president praised a public-private cooperative child-care center that apparently does not exist. And the background sheet on California handed out to the press corps by the White House noted that the state Senate has 24 Democrats, one Republican and one independent. Fortunately for Bush, the "one" Republican — Los Altos Hills' Becky Morgan — managed to take time from her busy schedule to meet the president in Palo Alto.

(Mark Simon, Palo Alto)

Toxic danger, press-release division. The challenge for press aides and public-relations types these days is to devise some kind of attention-getter to accompany a particular lawmaker's announcement. Given the blizzard of paper belched out of the state Capitol every day, simple hype won't do. For example, Senate Majority Leader Barry Keene complained in a recent release that Republicans were tying up the legislative process. To emphasize the point, he attached a pair of handcuffs. But Assemblyman Klehs may have gone too far. To hype his lawsuit against the Assembly (see column one), Klehs sent out a square of red carpet stuffed inside a plastic bag. The carpet was supposed to mean exclusive clubs, but more likely came from a toxic dump. When the bag was opened, the carpet gave off noxious fumes.

Assemblyman Bill Bradley, an Escondido Republican, died of kidney failure on June 1st after an extended bout with cancer. The 70-year-old lawmaker, a civil engineer by trade, was first elected to the Assembly in 1982 and

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reelected to h s fourth term last November. Governor Deukmejian has called for a special p imary election on August 8th to fill Brac ley's seat in the 76th Assembly Distric t. If no candidate receives more than 50 ercent of the vote in that election, a spe cial general election will be held on Oc ober 3rd. Bradley was the

third Assembl / member to die in office in the past .4 months. Republican Richard Longs hore and Democrat Curtis Tucker Sr. oth died in 1988.

Last month, we identified Greg Lucas as a C pitol correspondent for the *San Franc sco Examiner*. Lucas actually works for the *San Francisco Chronicle*. We can't help it; all those San Francisco new spapers look the same to us.

"The Constitution gives every American the inalienable right to make a damn fool of himself."
— John Ciardi

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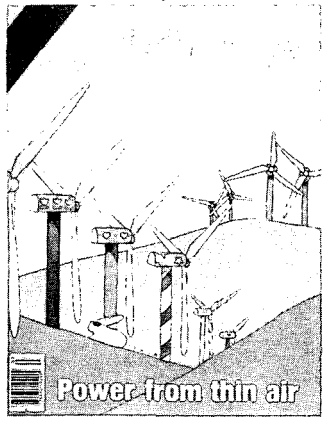

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ROSTRUM

Transportation

Your article on the California Transportation Commission (see "A study in conflicts," *CJ*, May 1989) leaves the impression that my business quadrupled between 1985 and 1987 as a result of my position on the Commission. That is not a true statement. Both the Auditor General and the Fair Political Practices Commission found absolutely no improprieties after a thorough and detailed examination of my business records. The allegations were politically motivated and had no merit. I was confirmed 29-0 by the state Senate.

— MARGIE HANDLEY
Commissioner
California Transporation Commission
Willits

Leadership

I have read your scurrilous article on leadership (see "The Leadership Puzzle," *CJ*, June 1989). I submit you wouldn't know leadership if it bit you. The men and women of the Legislature every day exhibit profiles in courage.

I have attached a recent letter to members of the Legislature commending them for a multi-billion, world-impacting success that went right by you. *(A 1983 Assembly Constitutional Amendment, authored by former Assemblyman Lou Papan, that changed investment procedures for the Public Employees Retirement System and State Teachers Retirement System.)* You might read your own *Journal* article, "A gorilla on the move" (see *CJ*, June 1989). PERS/STRS emergence didn't happen by accident. Of course, positive truth doesn't sell newspapers or articles to the *Journal*, so I don't expect you to look or see.

— LARRY STIRLING
Senator
39th District
San Diego

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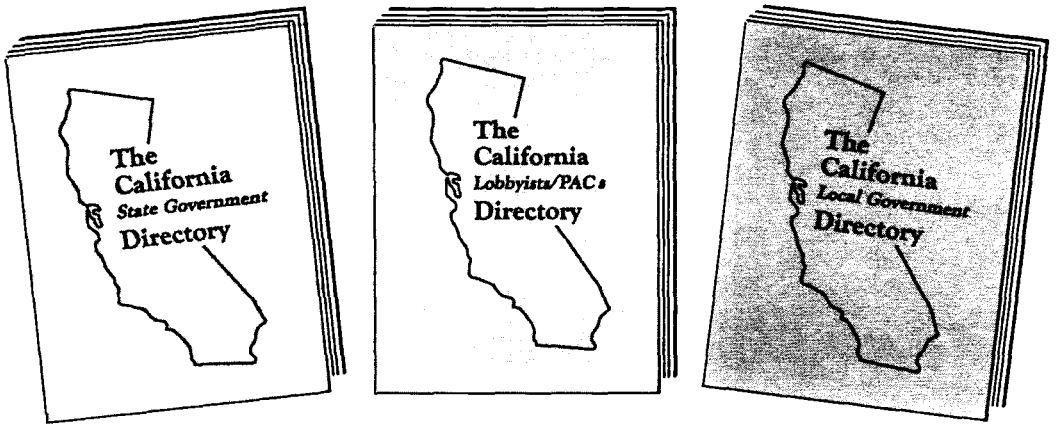
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Power from thin air

By Michaela Jarvis

In early 1981 Budd Steers got a phone call that reminded him of a skit he had seen on television. In the skit, Sir Walter Raleigh is on the phone with the Queen of England telling her about a crop he's discovered in the new world.

"It's a what? This is a weed you're telling me about?" the queen asks. "So, what do you do with it after you've picked this weed and dried it? You crumble it up into a powder, you said, and roll it in a piece of paper? And then what do you do?"

"Then, Your Majesty, you light it with a match and burn it." Steers is a real estate agent who specializes in ranch land in California's Altamont Pass. In the Spring of 1981 he had a 600-acre property for sale among his listings. It was that ranch that provoked the telephone call in which he played Sir Walter Raleigh to Fayette Manufacturing Corporation's Queen Elizabeth.

In the course of the call, Steers convinced Fayette, a company in Clearfield, Pennsylvania, that this land for sale would be a good place to locate the company's electricity-producing windmills.

When Steers told them the average wind speed on the land was about 18 miles per hour, that it was neither steep (which would make installation of windmills difficult), nor flat (wind gets diffused in flat, wide-open areas), that it was 50 miles east of a major metropolitan area and on a major interstate highway, they were incredulous. "They said to me, 'Okay, so I guess the last thing you're going to tell us is that there are no trees.'"

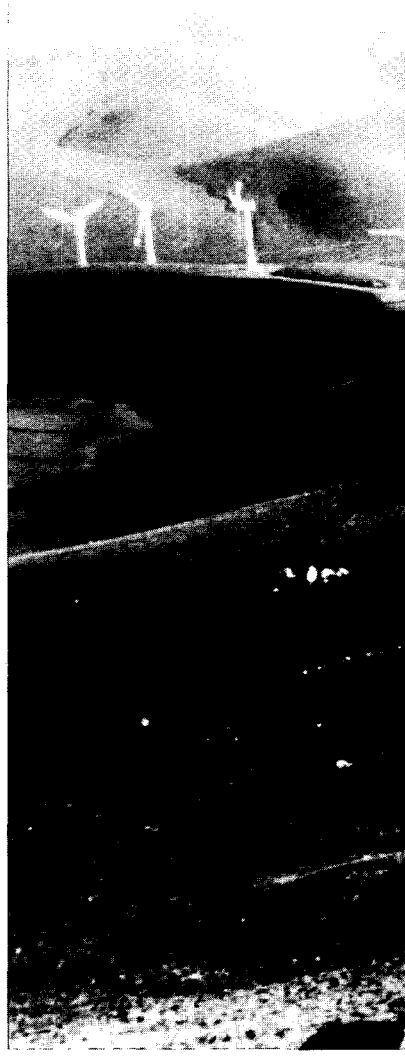
That's right, no trees.

That phone call was among the first signals that another race to California was on. Once it had been gold, then oil. Now it was simply wind — and a power-needy population, a manageable climate, high electricity prices, uncontested land, a favorable political atmosphere and wealthy investors wanting tax shelters — that sparked a $2 billion industry in this state.

Starting in 1981, the federal government offered tax credits that, in effect, put 25 percent of wind-development investments back into the pockets of investors by subtracting it from the bottom lines of their taxes. The credits were scheduled to last five years. The state of California, in a move that may have added another entire chapter to its history, matched the federal tax credits by offering its solar-power tax credit to investors in wind power.

Governor Jerry Brown was proposing that windmills be used to produce 10 percent of the state's electricity by the year 2000, "saving 40 million barrels of oil per year," he wrote in a California Energy Commission (CEC) brochure.

Since 1981 nearly 16,000 wind turbine generators have been installed in California, making it far and away the wind power capital of the world. According to Michael DeAngelis, a manager at the commission, California's



Michaela Jarvis is a writer living in San Francisco.

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windmills account for about 90 percent of the world's wind-power installations, although those installations provide less than 1 percent of the world's total power. California's 110,000 tons of windmills produced 1.8 billion kilowatt hours last year, or enough electricity to light, heat and equip all the households in a city the size of San Francisco. A typical windmill can produce enough power for 25 homes, but one of the big ones will generate 1.6 million kilowatt hours per year, enough for 118 houses.

The five-year tax credits were not renewed, partly because of charges that the industry produced more write-offs than electricity. After seven years and $1.4 billion in tax money, did the public get any closer to being able to rely on wind power, or did some entrepreneurs and already-rich investors just get richer?

After the first call from Fayette, Steers became one of the company's western contacts, arranging land leases or easements with landowners. One of those easements, allowing a power line to cross some property was settled with a check for $1000 and two fifths of whiskey, Steers says.

The way he tells it, this was typical. In the Budd Steers "Who's Who of Wind Power Development," the first folks to get involved were the "cowboys." With no precedent to follow, Fayette and various other wind developers converged on Altamont Pass east of the San Francisco Bay, Tehachapi near Bakersfield, the San Gorgonio Pass outside of Palm Springs, and a few other less-suitable places, and did what they could to get things rolling.

Unfortunately, the cowboys had their share of problems with their wind machines. Turbines broke down. Blades flew off. And in some cases, the windmill towers cracked or fell over. In this "research and development" stage, there were lots of surprises.

Once, when U.S. Windpower, a Burlington, Massachusetts, firm, switched on 20 of its machines, seven threw blades. In September 1983 the same company had 137 broken machines out of a total of 580. An additional 42 eventually failed. Other companies were experiencing similar setbacks; despite U.S. Windpower's large number of failures, the company generated 90 percent of the power produced in Altamont Pass that summer, even though they owned only slightly more than half of the 1000 installed machines.

Some of the failures may have been caused by the haste with which the wind turbines were installed, particularly in the last quarter of each year the tax credits were in place. This was when many investors, their yearly finances nearly calculated, were seeking tax shelters. According to a report by the California Energy Commission, 70 percent of 1985's windmill development was built in the last quarter of that year. People in the industry speak of windmill installers working through December nights, their construction sites lit by stadium lights.

In the first two years of the windpower rush, wind turbines that functioned less than 50 percent of the time were not uncommon. Even by 1985 the industry as a whole only produced 45 percent of what it had projected.

In 1984 the *Wall Street Journal* ran an ad that read: "Cut 1984 taxes by 100 percent, receive up to 20 times your investment in cash flow and recover your back taxes for three years with the best, non-abusive tax shelter." The ad was placed by a company called Windtricity of San Mateo. A brochure by Wind Currents Ltd. of Fresno promised, "Californians can write off nearly 800 percent of their actual cost outlay over a five-year period."

An investor who might owe $37,500 in taxes to the federal and state governments at year's end could, instead of paying the government, put that money into a $100,000 windmill, with no limit on the financed amount. The remainder of the investment, or $62,500, could be worked off through a five-year federal depreciation schedule and a three-year state depreciation schedule. Therefore,

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the entire investment could be recovered in tax benefits. Beyond that, there was the possibility that the windmill would actually raise revenues from power sales to public utilities, who were required to buy the power not at the cost of its production but at the cost the utilities would otherwise have paid to their most expensive power sources, then natural gas and oil.

Those lost taxes — $880 million at the federal level and $528 million at the state level, according to a University of California study — attracted the attention of certain politicians. In a one-page letter to Congress written before passage of the tax-reform legislation in 1986, President Reagan singled out the windmills as an example of tax abuse. Congressman Pete Stark, a Democrat whose district included the Altamont, told Congress the offer of tax credits had invited the industry's failures. Stark's aide, Bill Vaughan, says the system "brought in syndicators that wouldn't know the top of a windmill from the bottom. Their first couple hundred windmills didn't work worth a darn."

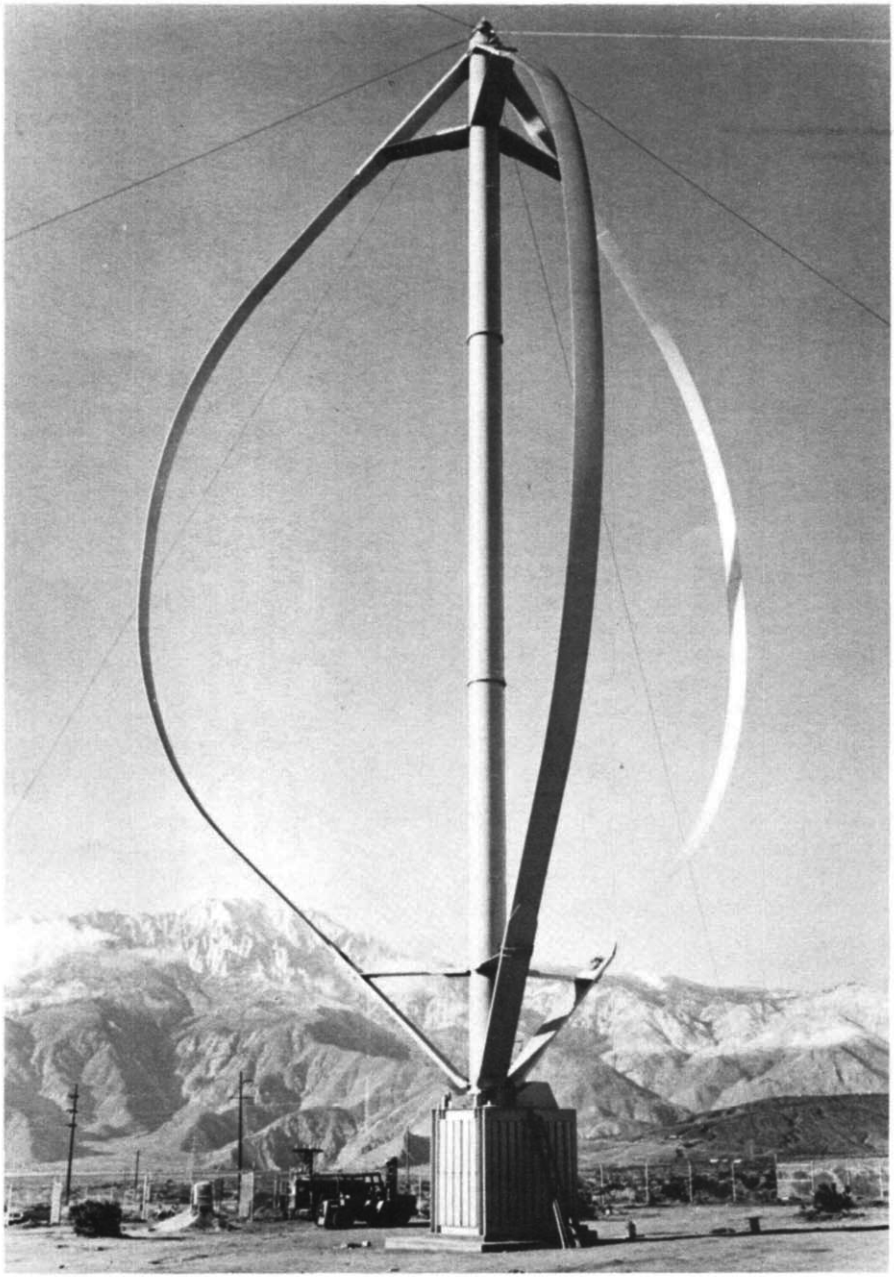
Vaughan describes the early industry as "a combination of environmental zealousness and the earth movement of the early '70s — the true believers — and the financial types who could have been selling shoes, I suppose. Weird marriages like that, you get weird puppies."

When the wind industry lobbied to have the tax credits extended, Stark told Congress, "Before throwing more billions of dollars at this industry, we need to separate the wolves from the sheep." Stark's office has a copy of an advertisement that appeared in the *Wall Street Journal* in September 1983. It pictures a car going past a wind turbine in Tehachapi. According to the caption, the driver is saying, "This is my electricity producing wind turbine, but I call it a cash generator...my tax benefits just about paid for it. Fits nicely in my investment portfolio."

"It was too rich and the cost to the federal treasury was such a windfall to millionaires," said Vaughan. "It was a millionaire's game."

Some wind developers sold wind turbines to investors but never put up the machines. These were what Budd Steers calls the "carpetbaggers, the people who just came along and bought machines and put together limited partnerships, and they didn't really have anything to lose because all they had was an idea."

The IRS began a nationwide effort in 1985 to investigate wind-power companies operating in California. Ac-



cording to IRS group manager Jerry Driscoll, who helped coordinate the investigation, IRS agents found "noncompliance with the tax laws on a major scale."

In August 1986 the U.S. Justice Department announced that Trans Power Manufacturing had been put out of business in a civil action by a U.S. District Court after having fraudulently promoted the sale of wind turbines to investors seeking tax credits. The windmills were never put into service. Trans Power sold the turbines to investors for $208,000 to $360,000 each, but according to the Internal Revenue Service, an independent appraiser put the fair market value of the machines at $3000 each. Trans Power president Benjamin Helsten allegedly told investors that the turbines were producing electricity and even made payments to them that he claimed had come from power generation. Those payments, IRS group manager Jerry Driscoll said, came from "a circulation of money," or in other words, from subsequent investors' payments. The Justice Department estimate of the potential loss of federal tax revenues as a result of the Trans Power scheme alone was put at $10 million.

G. W. MacDonald, Department of Corporations assistant commissioner, explained other problems that were investigated: "You have more than one person being sold the same equipment...The individuals themselves think that they are involved in a particular agreement, but in fact, the windmills don't exist, or too many people have

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taken the write-off, or there's an over-appraisal of the equipment. These are the kinds of problems you see in the energy area. And the investors don't care. You show them a picture of a windmill, and they ask, 'What's my write-off?'"

Back on the ranch in 1981, when the windmill boom was just beginning, times were bad. Cattle ranching was in a disastrous state, suffering the effects of frozen prices on beef and unfrozen prices on grain. Unfavorable economics combined with a several-year drought in the late 1970s had sunk most of the ranchers deep in debt. The wind-scoured Altamont was not even providing the one and only thing it seemed good for — grazing.

As wind developers knocked on the ranchers' doors hoping to lease the use of their land, the ranchers began to realize they had another crop to sell. The wind companies generally guaranteed that only about five percent of grazing land would be taken out of commission by the installation of windmills. That meant Old Elsie, who'd been used to standing out by the old water trough, could continue to stand there, now shaded by a windmill.

"I've been fighting this wind up here for 30 years," rancher Bob Vieux was quoted as saying in 1981. "Now maybe I won't cuss it so much." Another rancher said, "I always thought all that wind was good for something else besides blowing my hat off!"

Altamont rancher Hugh Walker says the ranchers usually contracted for 2 to 5 percent of the gross revenue of the wind farm, which in his case comes out to about $300 to $400 per year per windmill. Walker's 100 windmills therefore make him about $35,000 a year. According to him and another rancher, Connie Jess, they keep sinking their money right back into ranching.

But what was, at least, convenient to the developers and ranchers managed to provoke the ire of some of the owners of the smaller pieces of land around the Altamont, people who had bought five-to 10-acre parcels to raise horses or keep a few head of cattle or merely to get out in the country.

Patt Williams says she and her family had to sell the land they had bought in 1979 to raise racehorses when windmills began to surround it. "We had moved into this quiet, peaceful little valley, surrounded with rolling hills. The windmills changed all that.

"It seems like overnight there were windmills erected 600 feet behind our house. No one consulted us. And they do, in fact, make noise. It was very irritating to the nervous system. It rattled our windows. We had blades flying down in our backyard. There were motors laying around; we used to see them up on the hill. It really disrupted our lives."

Williams says she received fair market value for the property from the wind developer that bought them out, "but there was absolutely nothing to compensate for what we had gone through."

Paul Gipe, who stands out as the Californian wind-power authority and promoter, likens the power contributions of the state's 16,000 wind machines to an accumulation of pennies. "Each one may not be worth much, but if you keep throwing them in a pile, they accumulate to some real value."

Gipe lives in Tehachapi, a small town where the wind blows mercilessly and the third biggest employer is the wind industry. When he comes through the back door of a Tehachapi coffee shop, he is immediately approached by a friend who works for a wind company.

"What are we doing up there today?" the engineer asks him.

"About 40 or 45."

"Must be about 50 up at Cameron Ridge. They'll be shutting off."

The two are discussing wind speed, Gipe explains, adding that there are all kinds of ways to determine it, without any devices.

"You can see the clouds outrun the trucks on the freeway when the wind's really blowing," says the engineer, whose name is Kevin Cousineau.

"You learn to judge how the sagebrush moves," says Gipe.

Gipe promised that he'll call Southern California Edison when he gets back to the office to find out the power output. He says it as though it were a tantalizing prospect, a special treat that he's saving for after lunch.

Gipe had his first experience with windmills when he was working to develop a federal program to correct damage caused by coal strip-mining, his interest in environmentalism having developed during college. "While other people were having orgies on the weekend, we'd go to Washington to testify...in our hiking boots. After all those years of testifying and lobbying, I said someone's got to get out there and make alternative energy happen." Gipe's strip-mining research took him to southeastern Montana, where he saw lots of old-fashioned wind chargers. He got the idea of salvaging the obsolete machines and distributing them to communes who would "make a political statement" by putting them back into use. He said that when he asked the farmers in the area if he could buy the machines, their usual response was, "Son, you can have that thang." He started storing them in a semi-trailer, and those that he couldn't pick up on the spot, he noted to pick up later.

The old windmills never made it to communes, though, because Gipe was approached by an early wind-power entrepreneur when he got back to the Washington, D.C. area. He said a man who had heard about his semi-trailer cache asked to buy the machines. "He showed up with $1000 in one pocket," Gipe says, motioning to his right breast pocket, "and another thousand in the other. I was in the wind business."

In about 1977, Gipe says, he came out West, somehow knowing that the industry would focus here. "You put up five windmills in Pennsylvania, you think you're doing well. They've got 16,000 out here. Many people came to California from somewhere else. They moved to a new land of opportunities. They were risk-takers by nature. A lot of them made money in riskier ventures like Hollywood and real estate. In Pennsylvania you had to explain what a turbine was. Californians asked right off how one worked better than another."

As he drives to the heart of the Tehachapi wind farms, Gipe is like a child pointing out trucks on the highway. "Ooh, look at that," he says, motioning to some new turbines being installed. He pulls up under a windmill that looks like an eggbeater. Close up, the size of the machine is impressive. It is as high as a four-story building and its sturdy blades scan an area half its height. As Gipe gets out of the car, his tweed cap gets whipped off his head, an occupational hazard in his business. He has to shout to extol the virtues of the relentless machine.

"It's the people out there working in this kind of weather to install the machines that are the interesting ones. This is what they do. They like to do it." He says that during the rush while the tax credits were still in place, some of the men worked 20-hour days, "working under spotlights, hardly able to keep going."

Many of the first people to get involved, he says, can no longer compete since the federal and state tax credits expired. "A lot of those early pioneers were lost because they didn't have the special skills to participate in these modern businesses. They were generalists...The tragedy is, we're losing a lot of the experienced people. A lot of those lessons we learned are lost."

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The wind-power rush left behind its ghost towns — the occasional fields covered with windmills that don't turn and towers that hold nothing but a coat of cracked and peeling paint. In Tehachapi, a small colony of ragged turbines that were once equipped with cloth blades, like sails, look as if they fought a contest with the wind and lost. Nearby, a small group of idle machines made by some Italian manufacturers are "an embarrassment," Gipe says.

But Gipe never loses his enthusiasm talking about wind power. He says he thinks there's no stopping its momentum now. "When we started out, the technology was in its infancy. Now we're a robust young adult," he said.

Since the expiration of the tax credits that made the wind-power ruse possible, investors who were knocking wind-power developers' doors down are off buying rental housing or pork bellies; two-thirds of American wind-turbine manufacturers have gone out of business. Still, almost 4000 wind turbines have been installed since the federal credits ended on December 31, 1985. The state tax credits were reduced to 15 percent at the same time and were ended at the end of 1986.

Mike Batham, of the CEC, said the wind industry has progressed dramatically since 1981. He said today's turbines, which are about 30 percent cheaper per kilowatt than in 1981, are two to three times more efficient than machines installed in 1981. "The tax credits did exactly what they were supposed to do," Batham said. "The development and testing accomplished during those years was very significant."

Frank Goodman, of the Electrical Power Research Institute in Palo Alto, California, said that the existing wind industry could turn out to have been just one incarnation of wind power generation. "The wind industry is very fragile. Whether or not the tax credits gave us a permanent industry or not, we just don't know."

"Wind power's chief value is in saving fuel, and right now fuel is cheap, so wind is not competitive," said Julian Ajello, of the California PUC. "I don't see much future for wind if the cost of fossil fuels doesn't go up." Those who got in early are still getting 7 cents per kilowatt hour for the power they generate, enough to bring in perhaps $1500 per year. But if that same windmill were installed today, the power would fetch only 3 cents per kilowatt hour.

If, however, the price of oil climbs again as expected by energy experts, wind power will be attractive comparatively. According to figures from the 1987 *Annual Review of Energy*, a nonprofit publication headquartered in Palo Alto, if wind turbines were mass-produced, the cost per kilowatt to build a wind farm would be $700. The cost to build a natural gas facility is $966 per kilowatt. A coal plant is $2250 per kilowatt. Because wind farms can be built in small increments, wind can satisfy demand as it arises, with lead times as short as 90 days.

The CEC still hopes to have 10 percent of California's power needs supplied by wind by the year 2000, that same cursed wind that keeps blowing ranchers' hats off. The major utilities weren't invited to play in the first go-around, since the tax breaks went only to individuals. Now some are getting interested.

Windmills have taken over parts of the California badlands, and partly because of Budd Steers' telephone call and many others like it promising adventure and a chance at something new. The adventurers made mistakes, but on a windy day, their successes spin resolutely.

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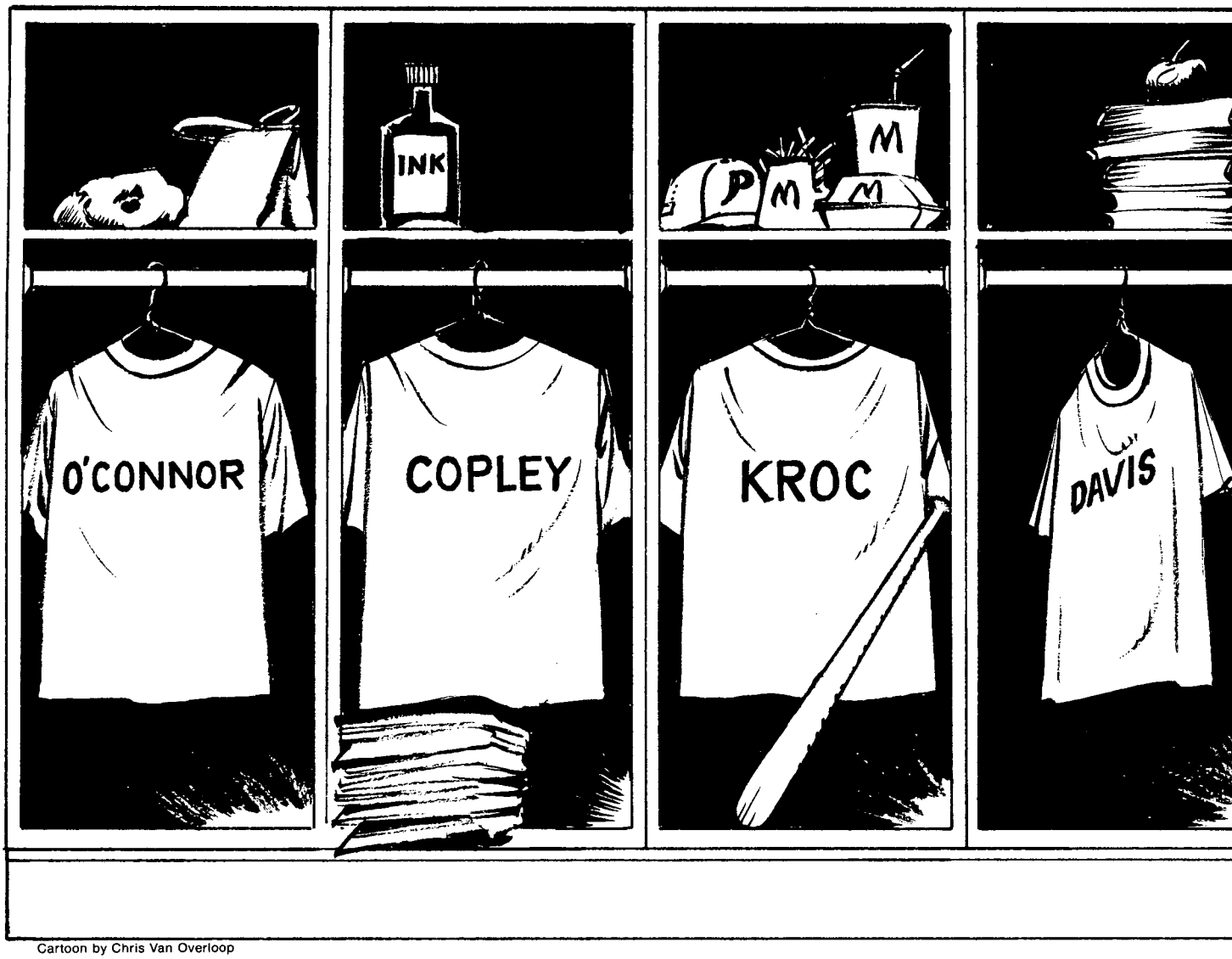

Cartoon by Chris Van Overloop

Has San Diego

By Sharon Spivak

When NBC brought its "Today" show to San Diego for a one-day broadcast last May, its producers assembled an imposing cast of three to represent the city's power structure: Primed for the screen beneath the downtown skyline were San Diego's mayor, the publisher of its two major newspapers and its most generous philanthropist.

Their names tell the story — Maureen, Helen and Joan.

The significance of the triumvirate was not lost on host Jane Pauley, who eagerly told her audience, "The power brokers in this town are all women."

The broadcast lent another notch of credibility to the notion that San Diego increasingly has become a city run by women, a coastal mecca of opportunity at a time when other

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Sharon Spivak is a political writer for The Tribune *of San Diego.*

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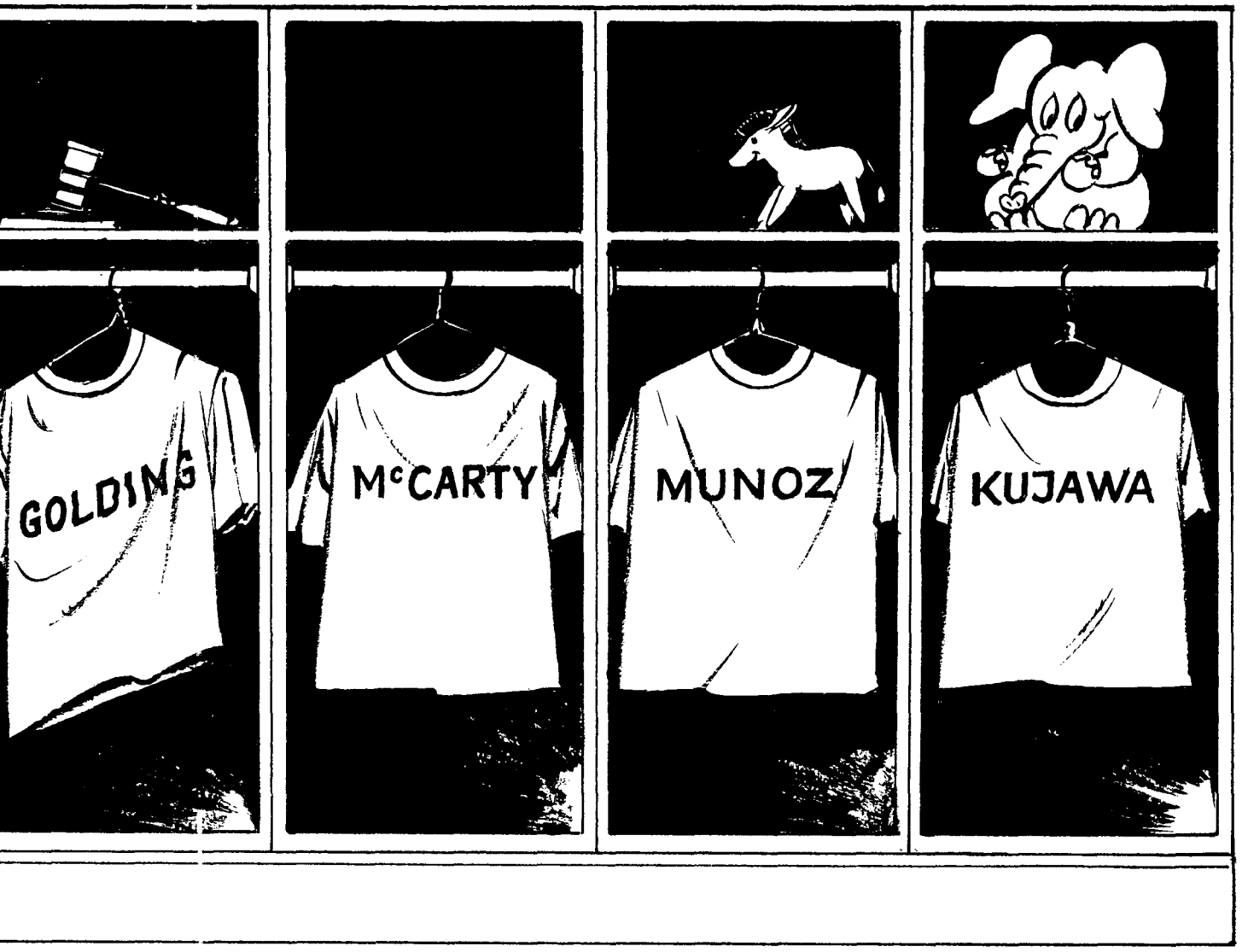

become a matriarchy?

cities have failed to close their gender gaps.

In contrast to America's older, more corporate-dominated counterparts, San Diego has been described by dozens of its residents as unfailingly open to the idea of women in power. It's a mystifying irony for a city perceived as conservative.

"It's a matriarchal society," quipped one political observer.

Lengthening lists of examples stretch beyond the names of those who appeared on "Today": Mayor Maureen O'Connor, publisher Helen Copley of the *San Diego Union* and *The Tribune*, and Padres baseball team owner and McDonalds' major stockholder Joan Kroc. (The latter two are among the richest women in the country.) Also among the power elite are Susan Golding, who chairs the San Diego County Board of Supervisors, and Susan Davis, who presides over San Diego's school board. Alongside O'Connor running the city are Deputy Mayor Judy McCarty and Councilwomen Abbe Wolfsheimer and Gloria McColl, forming four women's votes on the nine-member panel.

The major political parties in the county are run by women. Irma Munoz leads the Democrats and Bettie Kujawa is at the helm for the Republicans. Gail Stoorza Gill chairs the Chamber of Commerce, a traditional boys' club that now also counts four women among its eight vice presidents. Pam Hamilton leads the city's downtown redevelopment agency, charged with putting together multi-million-dollar deals to resculpture the city's urban heart. The trend holds true in nearby communities where women serve as small-town mayors, including Brooke Eisenberg in Del Mar and Anne Omsted in Encinitas.

"I don't know if people think 'San Diego' and say, 'That's a city run by women,' " says the Democratic Party's Munoz,

Continued on next page

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"but women are providing quality leadership on different levels in San Diego. The entire county's very comfortable with that, and it needs to be applauded. If we're going to have a society that truly is equitable based on sex ... the only way is that

Kroc

O'Connor

that's not a second thought."

Says Golding: "What I think is unusual is that it's all happening at the same time." The supervisor recalls a recent visit from a reporter from a West German women's magazine, who told Golding she came to San Diego to report on the phenomenon. The reporter told Golding, "Everyone knows that women run San Diego, and we were interested in finding out how you do that."

Many agree that in San Diego, the dominance of women in politics is a matter of stature, not just numbers. After all, the 1989 *California Local Government Directory* published by *California Journal* lists 104 women mayors of California cities, up from 87 two years ago, and 479 women city council members, up 36 from two years ago. And the Center for the American Woman and Politics at Rutgers University says that, as of February, there were 107 women mayors serving the nation's 880 cities with populations over 30,000.

The difference is that in San Diego women are perceived to be running the show.

"It is primarily politics," cautions Hamilton, who is paid $95,000 to head the quasi-city agency called the Centre City Development Corporation. "A lot of it has to do with who is willing to work hard for little money, and that's what women have been willing to do."

Hamilton said her gender doesn't factor into her daily work, but she acknowledged, "It's not that other people may not talk about it. I think women face some uphill battles. I think I should be paid more. And some of it I think perhaps is a latent gender bias." (Hamilton's predecessor, Gerald Trimble, was paid $105,300 by the development corporation board.)

Bob Trettin, a former aide to Golding, acknowledges there are gaps to fill despite the fact that "our leaders in the city, the county and our leading philanthropists at this time are all women."

The thing that disturbs me," he says, "is that unfortunately still you will find that most of the women utilizing the opportunity to move into the public sector are coming from backgrounds of wealth ... I just think it's disappointing that the system has not moved far enough that any woman cannot have that opportunity."

Both O'Connor and Golding waged successful city council campaigns before their marriages. But O'Connor helped finance her 1983 mayoral campaign through her husband, financier Robert Peterson, a co-founder of the Jack-in the-Box food chain. And Golding fueled her supervisorial campaign coffers after marrying wealthy businessman and former state finance director Richard Silberman in the midst of her race.

Silberman now is embroiled in controversy, accused of conspiring to launder $300,000 in what an undercover FBI agent allegedly told him was cocaine money from Colombian drug dealers. The situation stalled Golding's political ambitions, forcing her to withdraw an early bid to run for the GOP nomination for lieutenant governor in 1990.

Powerful San Diego women in the private sector also met with similar inheritance: Publisher Copley took over her chain of California and Illinois newspapers upon the 1973 death of her husband, James S. Copley; Kroc also inherited her fortune — which she has given to causes as diverse as the Democratic Party and O'Connor's Soviet Arts Festival — from her late husband, McDonald's founder Ray Kroc.

Trettin says it would have been unfortunate had a lack of money barred from politics someone like Golding, whom he believes is "the most insightful, most intelligent, pro-active local elected public official in San Diego County and possibly Southern California." Trettin nonetheless is one of an all-male pool (as of June) taking on the three women council incumbents up for reelection this year, and who could tip San Diego's balance of women in power.

Mark Nelson, executive director of the San Diego Taxpayers Association, says that while San Diego "probably leads the local governments in the visibility and effectiveness of women," he cautions that they came to politics from different backgrounds.

O'Connor had strong name identification and money when then-Mayor Roger Hedgecock fell from grace in 1985. Golding ran for supervisor against a Democratic woman, former California Business and Transportation Secretary Lynn Schenk, "and the traditional Republican money that might

Wolfsheimer

Copley

have gone to a man had to go to support her," he said.

Perhaps a subliminal reason the electorate is supporting women so strongly is that San Diego's numerous political scandals have left women relatively unscathed. The city still smarts from its anger toward Mayor Hedgecock, who resigned in 1985 after his conviction on one count of conspiracy and 12 of perjury in connection with illegal financing of his 1983 campaign.

There was Councilman Uvaldo Martinez, who quit as part of a 1986 plea bargain on two felony counts related to wining and dining on his city credit card. There was Housing Director Ben Montijo, who was dismissed in 1987 after being investigated — and exonerated — by every level of government. The only woman to take such a fall was Nancy Hoover Hunter, the former Del Mar mayor. Hoover was sidekick to J. David Dominelli, the now-jailed financier who milked San

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Diegans out of more than $80 million in a Ponzi scheme.

Women arguably have been "cleaner" on the job, free of the scandal that has made many question politically ambitious men.

Golding says pollsters have told her "you can add five points because you're a woman. In general, women are trusted more." But part of that, she says, is that "you still have to be better [than men]. And you have to be more careful, because the criticism, when it occurs, is worse."

O'Connor's spokesman, Paul Downey, says the mayor "feels as a woman she is more approachable as mayor, that she is less intimidating and she is automatically 'Maureen' to everyone she meets. People have no problems walking up to her and telling her everything, from how they feel on issues to

Kujawa

Hamilton

talking about their personal problems."

O'Connor has said she feels a "big responsibility" as a woman in politics "to make sure that you handle yourself in a fashion so that more young people and more young women will get involved in government." She has said that women may feel that if they lose once, they can't get back into politics. So losing her first mayor's race in 1983 "and coming back and being successful," she said, sent out a good message.

Nonetheless, Councilwoman Wolfsheimer, a former law professor from La Jolla, believes "San Diego is a rare community for giving the opportunity to women to enter government."

Wolfsheimer recalls that when she first sought her post in 1985, her consultant polled to determine whether "anyone would not vote for me because I was a woman." Ninety-five percent said it wasn't an issue. Wolfsheimer says her only gender-based worry now is that she doesn't see lines of women behind her waiting to enter politics. That lends credence to the idea aired by local-government insiders that the quantity of women movers and shakers represents a coincidence rather than a calculated movement that bolstered their ranks.

"We have not mobilized as women *per se*," says Munoz of the Democratic Party. "I think it is a matter of coincidence. Maybe I'm not in tune with the women's movement, but I have not seen a major push for women to take over the leadership roles ... Most of the women did not run on a female platform. Women didn't rally around me. And women aren't responsible for putting women in office. I'm not convinced that there is a women's vote here."

Gina Zanotti, a vice president of the Chamber of Commerce and director of its North City office, agrees: "It's curious to me who was behind the women in politics in this city. It was the men. The men made the decision to appoint Susan [Golding to the city council in 1981]." Men also made the decision to empower Gill at the Chamber, she adds. And U.S. Senator Pete Wilson has always been cited as a mentor to

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O'Connor. He was mayor when she joined the council in 1971 as a "Cinderella candidate" who won her office at age 25 with limited funds.

Gill

Golding

"There is a respect for women in government here and I don't think it's tokenism at all," says Zanotti.

Yet former San Diego City Councilman Mac Strobl, now a lobbyist with TCS Governmental Consulting, believes the dominance of women in the city and county is just part of "a cycle," particularly given the lack of women challenging those up for reelection on the council. Furthermore, Strobl says, with Golding's political future on hold and O'Connor uncertain about another term, the most predominant name being bantered for the 1992 mayor's race is that of a male politico — City Councilman Ron Roberts.

Women's political gains have had unforseen benefits. Judi Carroll, one of a handful of women developers in the county, says, "I think women are taken much more credibly and more seriously here because there are people like Susan and Maureen who are in such prominent positions of leadership."

As a member of the expensive Golden Eagle club, dominated by conservative men but including women as about 15 percent of its ranks, Carroll finds politics to be a critical outlet.

"I'm not likely to go out and play a round of golf with my male colleagues," she says, "but I can interface in politics at the same level that they do. It's an equalizer."

Yet the remaining mystery is why there have been so many political gains for women in a city and county known to be so conservative.

"It's beyond me why it would be that a conservative city would be so responsive to women in power," says Barbara Bamberger, conservation coordinator of the Sierra Club, who lobbies the city and county on environmental issues.

But Councilwoman Wolfsheimer suggests San Diego has a "new kind of conservatism" that has nothing to do with gender but rather focuses on government spending. "And women fit into this picture as easily as men."

Just how far have women come in San Diego?

Nelson says the real question is, "How well-managed a city, county and school system do we have here under women?"

Though the answers to that question would run the gamut of political observers, Nelson believes, "by and large, all three are effectively run" under the leadership of women.

"It's a fascinating turn of events for a sleepy Navy town like San Diego," said Nelson.

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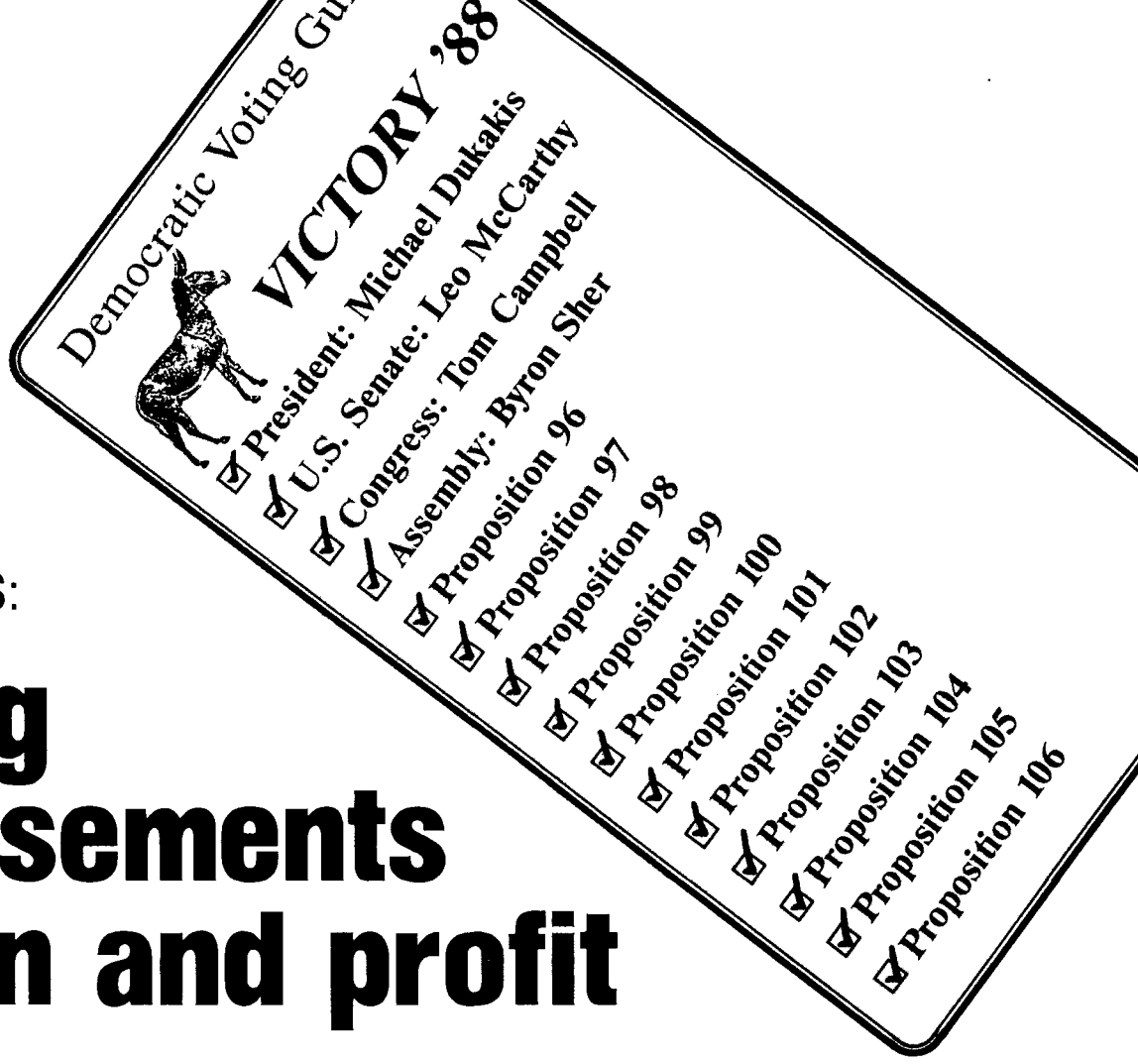

SLATE MAILERS:

Selling endorsements for fun and profit

By Mark Simon

Only a few months after taking office, freshman Republican Congressman Tom Campbell, a law professor at Stanford University, issued a written apology for something he had done in his campaign to be elected to Congress — the kind of public *mea culpa* rarely seen in politics.

"I really made a mistake, and I regret it," Campbell wrote.

His mistake was contributing $5000 for the distribution of a slate-mail piece in his campaign for the 12th Congressional District (portions of San Mateo, Santa Clara and Santa Cruz counties). The piece carried on it a little drawing of a donkey. It was labeled a "Democratic Voting Guide" and recommended votes for the party's presidential nominee, Michael Dukakis, and for U.S. Senate nominee, Leo McCarthy. Yet, it endorsed Republican Campbell in one of the most hotly contested and expensive targeted congressional races in the country, a race that included heavy involvement by the congressional caucus leadership of both parties.

The piece arrived in district mailboxes just days before the election, and it was denounced immediately by Campbell's Democratic opponent, Anna Eshoo, as a fraud and a phony. But Campbell campaign manager Ronald Smith defended the piece and its sponsoring organization — a committee called "Victory '88" — as a "legitimate statewide Democratic organization."

It was not.

In fact, Victory '88, a name that closely matched the official name of the California Republican Party's campaign committee, was completely and solely organized and controlled by Fred Huebscher, a Los Angeles man in the slate-mail business.

According to records Huebscher filed with the Secretary of State's office, he sent out slate pieces elsewhere in the state labeled as Republican voting guides. In those guides, he endorsed, among others, Republican presidential nominee George Bush and incumbent Republican U.S. Senator Pete Wilson. According to the records, Huebscher's slate pieces took both sides — support and opposition — on Proposition 103, the insurance-reform initiative, depending upon where in the state the piece was being mailed.

The ultimate disclosure of this information, fully five months after the 1988 Fall election, touched off a round of denunciation of Campbell's involvement in the episode.

"The best case is for them to claim naivete," said Los Angeles Democratic political consultant Kam Kuwata. "Campbell himself is not an experienced elected official. But he certainly surrounded himself with the top people in the profession, and it strains credibility to think they wouldn't have checked everything out."

Said Eshoo campaign manager Mary Hughes, "When you pay a vendor, you know the difference between a merchant and a partisan. This guy was clearly a partisan."

Said attorney Bob Naylor, the state

Mark Simon is a political writer for the Peninsula Times Tribune *in Palo Alto.*

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GOP chairman in 1988, "The professional consultants know which slates are available. They get solicited. They know which slates are right to be on."

Campbell and Smith did claim ignorance about the true nature of Victory '88, and some weeks after news stories about the slate piece appeared, Campbell issued his apology.

"I was told that I had been selected for a Democratic slate mailer because of my position on the environment and civil rights; would I agree to pay $5000 from my campaign to defray in part the printing and mailing of it? It sounded like a great idea. I said 'yes' without asking to look into the organization's background as I now know that I should have done ... I bear the responsibility for all decisions made in my campaign, and I regret this error," Campbell wrote.

Hughes was only slightly reassured by the apology.

The slate piece "was deceitful. It was clearly intended to mislead voters. And we will never know how many people were misled," Hughes said.

Smith, even while denying any knowledge about the true nature of Huebscher's organization, saw fit to denounce the whole slate-mailing business as a somewhat dubious practice.

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"Name one that's legitimate. I don't know what is or what isn't," he said.

Indeed, the episode involving Campbell turned up a wealth of criticisms and uncertainty about the whole practice of slate mailings — the sending out of slate endorsement cards by essentially private enterprises aimed at enticing people to vote in a pattern governed as much by payment as by philosophy.

Slate cards are 5.5-inch-by-8.5-inch cards. Printed on one side is a listing of various candidates for office — everything from president to county central committee to city council — and local and statewide ballot measures. On the other side usually is some label mentioning a party name, pictures of prominent statewide candidates and several boxes containing endorsement messages about a candidate or an issue.

The business can be a profitable one.

Huebscher reported being paid more that $55,000 for 1988 for the activities of Victory '88. And he also organized three other slate pieces, under the names "Long Beach Democratic Council", "Los Angeles Democratic Council" and the "Los Angeles Taxpayers Alliance." Those were financed by payments from local candidates and ballot issues, and Huebscher was paid another $7000 for consulting.

In all, there were 25 different slate-mail organizations that filed statements with the Secretary of State's office for the 1988 elections — ranging from the most local of municipal campaign interests to the biggest statewide ballot measures, including backers of the insurance industry's own ballot initiatives.

By far the largest, most prominent and longest active of the slate-mail organizations is the Beverly Hills political consulting firm of Berman and D'Agostino Campaigns (BAD), whose principals are Michael Berman and Carl D'Agostino. For many years, the BAD firm has issued the most sought-after slate-mail pieces. The endorsements are governed by what D'Agostino said is a Democratic philosophy. In 1988 the slate piece was mailed out under the name "Voter Guide '88".

D'Agostino said the firm sent out nearly seven million pieces in the general election, about three million in the primary — all of them carefully targeted and modified by legislative district, city and county to reflect a full slate of issues unique to each of those jurisdictions. In all, it amounted to 18,000 various combinations, he said.

In 1988, Voter Guide '88 collected more that $3.3 million from campaigns and candidates that wanted to be on the Berman-D'Agostino slate piece, including $2.6 million for the general election mailing.

Among the largest contributors to the general-election piece were "Yes on 100," the insurance initiative backed by the California Trial Lawyers Association, $1.3 million; McCarthy's Senate campaign, $300,000; "Yes on Proposition 98," the school-funding initiative, $200,000; and "No on Proposition 106," the initiative that would have slashed attorneys' fees, $130,000.

For putting together a slate mailing that it initiated, Berman-D'Agostino paid itself a consulting fee of $900,000.

Slate mailings also can result in some complicated political connections. The "Yes on Proposition 98" campaign was managed by well-known political consultant Richie Ross. In addition to the $200,000 given to the Berman-D'Agostino mailing, "Yes on 98" also contributed $32,500 to Huebscher's Victory '88 slate piece.

Ross also was campaign consultant, on an unpaid basis, for Anna Eshoo, the Democratic opponent to Campbell. Eshoo got on the Berman-D'Agostino slate piece for $10,000.

Ross said he was unaware at the time of an obvious conflict: A slate piece to which Ross gave $32,500 on behalf of Proposition 98 was being sent elsewhere in the state to defeat another one of his clients. But had he been aware of the conflict, he said he probably would have done the same thing anyway.

"Long ago, I resolved the conflict question," Ross said. "In any given situation, I do whatever I see as best for the client that is in my face at the moment. Had I known [about the full range of the Huebscher mailing], I would have said 'yes' because it would have been in the interests of the teachers."

Ross said that no single client of his can expect to get him exclusively; clients hire him because of his extensive contacts, his connections, and his broad range of knowledge and sources. Eshoo, for example, benefited from his working on Proposition 98 because it left him free to consult on her campaign for no money, he noted.

His other connections often are used similarly to benefit a client, in the form of a good word passed to an important political figure or campaign contributor, Ross said. That's why people want to hire him, he said.

"Had I known, I would have leveraged to get [Campbell] off the [Hueb-

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scher] slate But I still would have been faced with he moral dilemma. What's moral? I wa s spending $7 million of the school teac ners' money ... These kinds of situation: you're in all the time. If [clients] think it should be otherwise, they're naive. Or they can write out a check and have me exclusively. Just make sure it's seven figures," Ross said.

Conflicts aside, the slate pieces do present some problems for a wide variety of people, most of whom regard them as more than somewhat deceiving. The slate pieces always carry some kind of partisan label, but rarely are they official party mail. That infuriates party officials, who say slate-mail organizations are making a calculated effort to appear official and thus fool voters. Naylor said the state party even looked into suing Huebscher at one point for stealing the name of the party's campaign committee.

Slate mailings try to "bootstrap onto partisan voter behavior by tricking voters into thinking this is the official party endorsement," Naylor said.

Slate mailings do carry a required small-type disclaimer noting that the endorsements do not represent the official party position. And there is legislation pending to make the disclaimer language stronger.

"I don't think they are any more deceptive than mail put out by a campaign," said D'Agostino. "Slates are a collection of people who are contributing to buy or to a mailing that gets them a far greater bang for their buck than they could get on their own."

And any effort to limit the way slates are produced could be an infringement on some basic American rights of free expression, he said.

"I don't believe we purport to be official. I do believe when we say it's a Democratic Voter Guide that it is reflective of Democratic philosophies ... In a way, even though we aren't an official mailing, I think we come fairly close to reflecting a Democratic view," D'Agostino said.

The notion that the slate mailings represent protected free speech has inhibited any effort to restrict or regulate the activities of slate-mailing organizations. Sandy Michioku, spokeswoman for the state Fair Political Practices Commission said the commission has made efforts in the past to establish some regulations for the slate mailings, only to meet with resistance from legislators. The last commission proposal to require more complete disclosure of the source of a slate mailing was watered down to a small-type disclaimer that the slate card does not imply endorsements, she said.

"There is concern about misleading campaign mailers and that continues to exist, but as to what exactly can be done, the answer isn't very clear because you run up against some constitutional problems when you get into restricting what is contained in campaign mailers," Michioku said.

As for Huebscher's mailing activities, he makes no secret that he was sending out Republican slate cards in one part of the state and Democratic slate cards elsewhere.

"Numerous people over the years have supported candidates of both parties. I did not have a strong feeling one way or the other about president. I was trying to reach voters of different persuasions," he said.

Huebscher said he approached Campbell, not Eshoo, because he thought Campbell would be a good congressman who could also attract Democratic votes. He also had done business with Smith in other campaigns on behalf of other Smith candidates.

"This is a business venture," Huebscher said, adding that it is his "principal business."

"I've always been active in politics and I thought this might be a way to be active and make money at the same time," he said, adding that not every slate card makes money and that there are some issue positions of his that are not for sale. "There are certain issues where you have to draw the line," he said.

But if Huebscher sees his work as largely a business venture, that fits nicely with new legislation pending in the Assembly to crack down on some slate activities. Assemblyman Byron Sher, a Palo Alto Democrat, was carrying legislation to strengthen the disclaimer language and expected a tough fight in the Assembly Elections and Reapportionment Committee.

When Sher presented the bill in May, it not only won bipartisan support, but some members wondered if there would be some way of restricting the unauthorized use of an incumbent's name on a slate mailing. Sher said he thought that the slate mailings could be classified as commercial enterprises — subject to an array of commercial restrictions — rather than protected free political speech.

If this view prevails and is upheld legally, it could open up slate mailings to a wide range of legal sanctions, including suits that allege the unauthorized use of a protected name — in essence the violation of a copyright protecting the name of a candidate or an incumbent. Sher said it would be no different from lawsuits that challenge the unauthorized use of a celebrity's name to endorse a product.

For all the expense — and the risks of deception and conflict — are slate mailings worth it? Do they work?

Strangely, most of those involved in buying onto slates or producing them are uncertain.

"It's marginal," said Ross. "But at the end, you're always playing the margins."

"I don't know," said D'Agostino. "Do I think they work? Yeah, I do. Are they the end-all to winning an election? No. Do I think they're generally a good value? Yeah. If you have a limited budget and have to decide between getting on a slate and doing something else — that's really a call for the campaign manager."

But there is at least one campaign manager who apparently will be instructed about future slate mailings. In his written apology, Congressman Campbell concluded with one sweeping assertion, "I assure you that I will not be involved again with such a slate mailer."

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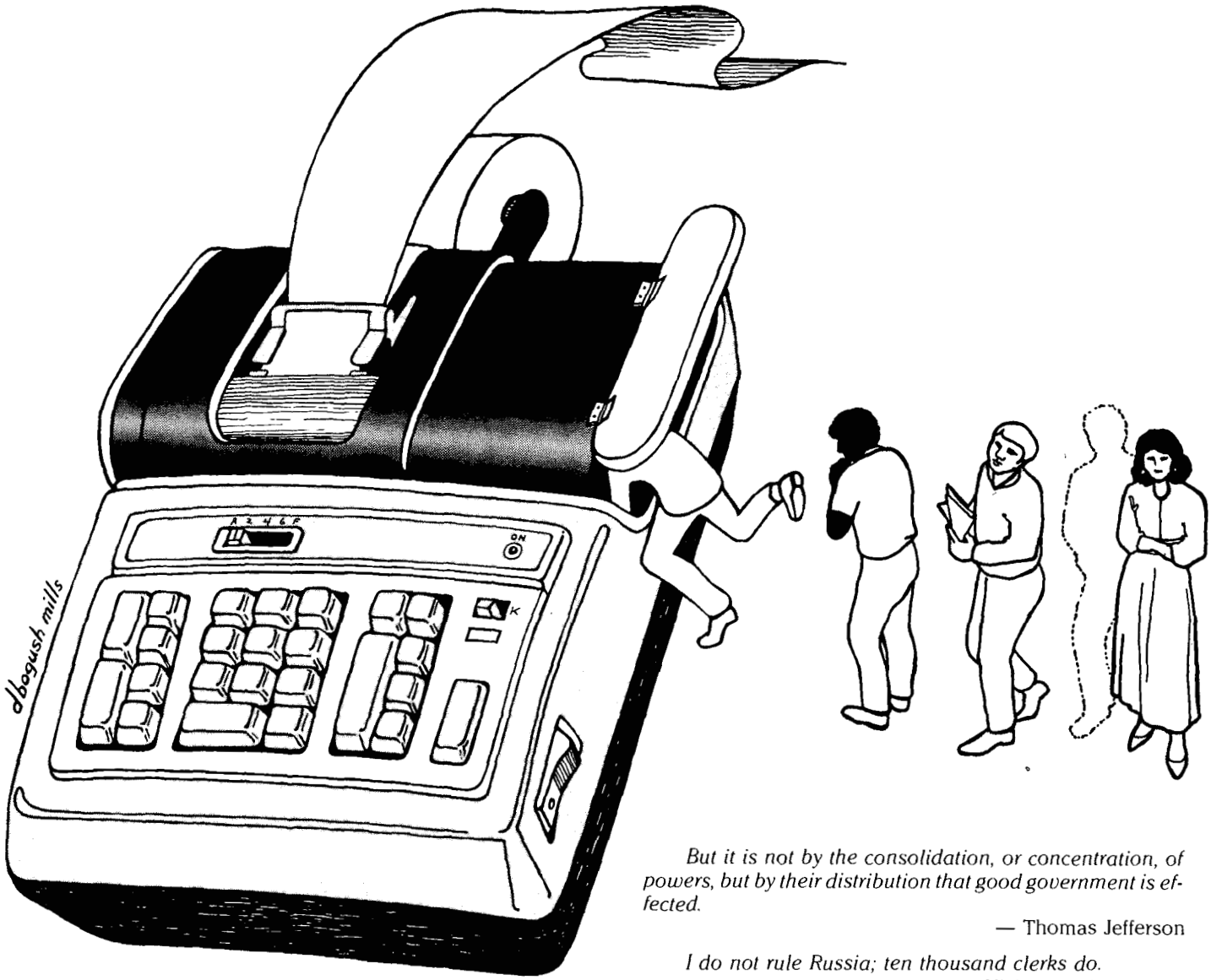

But it is not by the consolidation, or concentration, of powers, but by their distribution that good government is effected.

— Thomas Jefferson

I do not rule Russia; ten thousand clerks do.

— Nicholas I (1796-1855)

On March 23, 1990, most households will receive fat envelopes in the mail from the U.S. Department of Commerce containing the official 1990 U.S. Census form. Recipients will be thanked for taking time to fill out the questionnaire, gently reminded that Title 13 of the U.S. Code requires them to answer questions to the best of their ability, assured that their answers will remain confidential for 72 years, and asked to mail the completed form by April 1, 1990, the official Census Day.

There are two types of questionnaires — a long version and a short one. Most households will get the short one. Seventeen percent will receive the long version.

Laggard respondents, and those who do not respond at all, will receive a telephone call or a visit from a census taker, known in Census Bureau jargon as an "enumerator," who will present the questions again. Once the answers are compiled, California will have a new, official population figure. But this exercise means much more to the state than counting noses. It means five to seven new congressional seats, another fascinating exercise in reapportionment, and an increasingly larger share of federal grant monies for state and local governments.

Michael Browne is a freelance writer in Sacramento.

Drawing by Diane B. Mills

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The 1990 Census: More at stake than numbers

By Michael Browne

California's population has jumped by 20 percent since the previous national census, taken in 1980. About 29 million people now live here and, according to the Office of Economic Research in the state Department of Commerce, foreign immigrants account for nearly half that population growth.

"The collapse of the oil economy in Mexico and the political unrest in Central America has led to big immigration spurts from there, and political changes in Asia have spurred immigration from Hong Kong, Taiwan, the Philippines and Indochina," said Tony Quinn, director of economic research at Commerce. "The Center for the Continuing Study of the California Economy estimates about 100,000 people a year are coming here from Asia, and about 150,000 from Latin America."

As a result, California is the nation's melting pot. The Department of Finance projects Hispanics will statistically comprise nearly 2.5 percent of California's population in the 1990 census; Asians, 10 percent. Whites will number 58 percent, but Finance projects that no single ethnic group will exceed 50 percent of the state's population by 2003.

Accurately counting minorities has posed a problem for the Census Bureau, however. This led to the bureau being sued by New York State in 1980 for undercounting ethnic groups in that year's census, especially Blacks and Hispanics.

"We estimate we missed about 1.4 percent of the total population in 1980," said Peter Bounpane, a Census Bureau assistant director who recently testified before the Assembly Committee on Elections, Reapportionment and Constitutional Amendments. "But we did less well for the Black population, about 5.9 percent. We have a range of estimates for the Hispanic population that indicate we may have undercounted it at about the same rate as the Black population." Bounpane added that the bureau has no estimates of the undercount rates among Asians, Pacific Islanders or American Indians.

According to Bounpane, the bureau has used two methods to correct undercount errors since 1950. One method is demographic analysis. The bureau creates an independent estimate of the total population using administrative records — births, deaths, immigration, and so on — and compares the results with the actual census. But this procedure can only be done nationally and cannot accurately measure undocumented workers or people whose race is not recorded. "Those problems aside, I think it's a fairly good measure," Bounpane said. "We've used it in every census since 1950 when we missed 4.5 percent of the population. In 1980 we missed 1.4 percent."

That improvement is also due to the bureau's second correction method — a Post-Enumeration Survey; in effect, a mini-census conducted a few months after the actual census.

"It's a random sample of people across the country," said Richard Takei, assistant regional manager of the Census Bureau in San Francisco. "Then we look back in the records to see if we actually counted them [the people in the random sample]. We've done it for the last three censuses that I know of, and the numbers show we have reduced the undercount."

Bounpane says the post-enumeration method provides estimates down to a regional level and also measures population subgroups, but it is only accurate regionally, not locally. It cannot be used to narrow inaccuracies in units as small as cities where large numbers of Blacks and Hispanics live.

A third method may help reduce undercounting in cities, but the bureau is reluctant to use it. As Bounpane explains,

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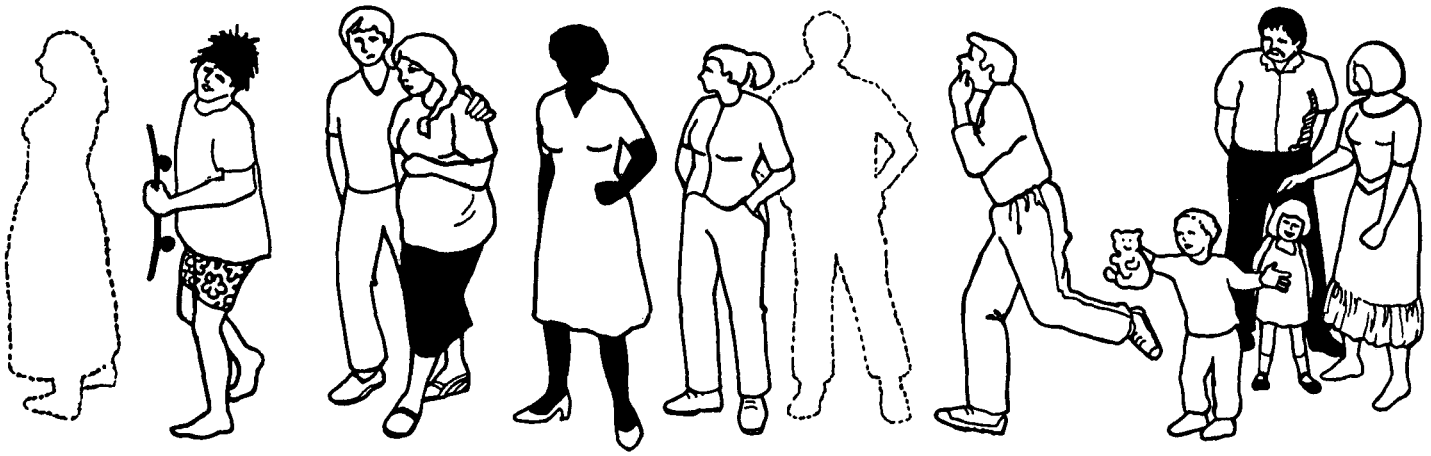

"We have developed a mathematical formula, but we feel the errors in using it are very high in correcting the undercount. You make the estimates in the post-enumeration survey and estimate the people missing in the census in a large geographic area, then extrapolate down to a very small locality."

But Bounpane feels this third method is arbitrary and may create as many problems as it solves. "Say the Post-Enumeration Survey for Northern California was 2 percent [undercounted]," he explained. "Then we would also have to say that every city in that area was undercounted. Say, the count for the city of Santa Rosa was absolutely correct....Using this formula, you would have to add 2 percent to the Santa Rosa count, and the Santa Rosa count would now be wrong."

The bureau used that argument and others to combat New York's 1980 lawsuit, saying as well that the statistical-adjustment formula was too time-consuming and not feasible if the bureau was to meet its constitutional requirement of delivering the census to the president by December 31st of the census year. A federal judge agreed and dismissed the 1980 suit in 1987.

However, New York City filed suit in the Eastern District Court in Brooklyn last year, requiring a statistical adjustment of the 1990 census; the State of California joined New York as a plaintiff in November. A motion for dismissal from the U.S. Department of Commerce was denied last April.

"Regardless of what happens to this, you still have to have a good [accurate] census to start with," Bounpane said, "and my one concern is that whatever negative flaw happens from the fact that someone is suing, it may detract from our ability to make a good census."

Political consultant Joe Shumate of San Francisco says the benefits from a mathematically compensated undercount, "comes down to whose ox is being gored." Adding an extra few percentage points of population may benefit areas that have been truly undercounted but may also artificially inflate other areas where the count was originally accurate. This becomes crucial because congressional and legislative districts are drawn using those numbers. The numbers may also affect where California's five to seven new congressional districts will be created.

In Congress, Democrat Mervyn Dymally of Los Angeles introduced a bill (HR 526) last January to require the bureau to use the mathematical adjustment to avoid a minority undercount; in Sacramento, Assemblywoman Lucille Roybal-Allard, another Los Angeles Democrat, introduced AJR 41 in the Legislature in May, asking the Immigration and Naturalization Service to declare a moratorium on raids for undocumented aliens during the first six months of 1990. The census counts even these residents.

The 1980 census estimated there were four million undocumented aliens in the U.S., half in California. Most of these residents are understandably reluctant to fill out any sort of official form or answer questions they feel might result in a ride to the border in a government bus. There are also language barriers, illiteracy, and an all-encompassing suspicion of any sort of perceived authority represented in the person of a census enumerator or even a government form.

So, the Census Bureau has established a community outreach program for minority neighborhoods. "We do this through one-on-one contacts between our community awareness specialists and the leaders and membership of community groups," the bureau's Peter Bounpane said. "In areas where we anticipate that language and other barriers may make enumeration difficult, we plan to mail a multi-lingual brochure before sending the questionnaire. The brochure will alert householders that a questionnaire will be in the mail to them soon, ask them to fill it out and mail it back, and tell them how to get help. Also, for the first time, we will set up toll-free questionnaire assistance lines exclusively for Spanish and selected Asian languages."

Census questionnaires are printed in English and Spanish, although brochures are available in six languages, including Vietnamese. Also, the bureau sent information packets to 100,000 schools last March, not only to teach kids about the census but to make them census agents in their homes. Among many immigrant families, the children may be the only members fluent in English.

The bureau will also make a special effort to count the homeless. "We plan a special one-night enumeration on March 20, 1990, of shelters for the homeless and other pre-identified locations where homeless persons sleep at night," Bounpane said.

The Demographic Research Unit in the Department of Finance is the state's clearinghouse for census data, both to and from the bureau. California has a network of five regional data centers — four run by local government coalitions such as the Association of Bay Area Governments, the fifth by U.C. Berkeley. Thirty-five other local governments are tied into the system to get demographic information to data users faster than Washington can, and to provide Washington with local information.

Commerce's Tony Quinn uses the clearinghouse extensively when plotting graphs and making predictions about the changing face of California's population. Quinn says that face is aging because there are a lot more retirees in California than 10 years ago, and that they are on the move.

"We are seeing the retirement of the parents of the 'baby boom' generation. They are moving away from the urban core and out to the desert, or the Central Valley, or into the Mother Lode," Quinn said, noting that the population of the San Bernardino-Riverside area has jumped 47.4 percent since 1980. Housing prices in the Los Angeles basin and San Francisco Bay area are also compelling people to move out of those areas, or not move there in the first place.

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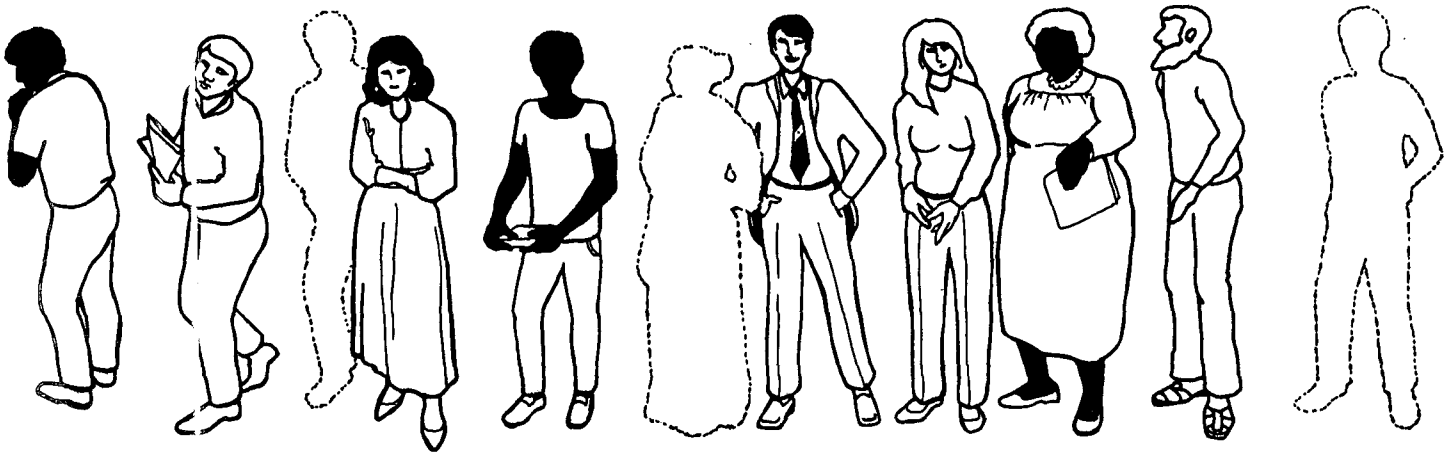

As a result, California is becoming what consultant Shumate calls two states — an inland state and a coastal state. Politically, Shumute said, "The coastal areas are primarily Democrats, and the inland areas are becoming Republican strongholds." He predicts future political battles will become more intensely regional, especially during redistricting when incumbents from no-growth districts start drawing lines into pro-growth areas for votes.

As for the new congressional districts, most will be created in Southern California, according to Chuck Bell, general counsel of the state Republican Party. "There will be five for sure, but we've heard projections of seven," Bell said. "One of them may be in Northern California, in Sacramento and the outlying areas." Joe Shumate sees a possible new congressional district in the eastern Santa Clara Valley.

More important to most Californians than having more congressmen, or having their already bewildering legislative districts redrawn, will be the state's share of over $100 billion in federal grants. According to the Department of Finance, in 1987 California received slightly over $11 billion out of $100.7 billion in federal monies for transportation, education, health and other government programs. Census data was used to disburse $38 million to state and local governments, and the Census has asked the Legislature to monitor census issues in California. The Senate established a subcommittee on the Census last year, chaired by Democrat Bill Greene of Los Angeles, with San Francisco Democrat Milton Marks and Oceanside Republican William Craven as members.

Thus, to California politicos, the 1990 Census is about much more than counting noses. It is about the substance of its political system — money and legislative districts — and the state's politicians want to make very sure that the federal government dots all the "i's" and crosses all the "t's" before the final numbers are verified.

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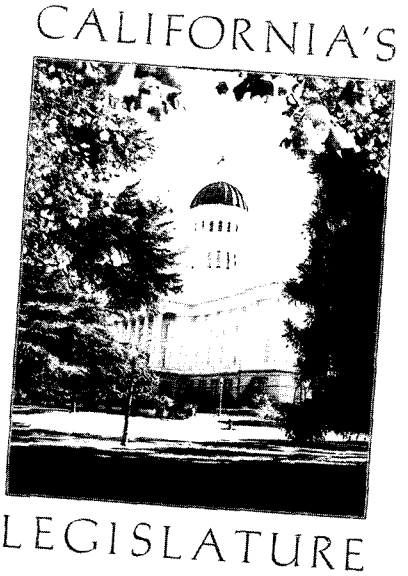

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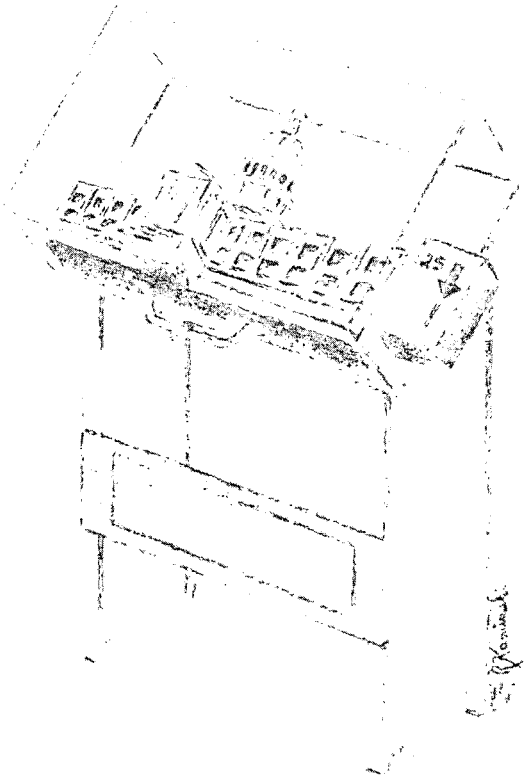

CALIFORNIA PUBLISHERS:

Defenders of the First Amendment or the bottom line?

By Teresa Simons

California's newspaper publishers quickly mobilized when they heard about a plan to remove newspapers' exemption from the state sales tax — a plan that would have cost them $80 million a year. They phoned legislators in whose districts their papers circulated and told them how a sales tax on newspapers didn't make good business sense. In addition, they said, the tax could restrict the constitutionally guaranteed free flow of information by possibly driving out of business papers already on the edge. Within days, the bill's author quietly withdrew his plan citing a sudden lack of support from legislators on the first panel scheduled to hear his bill.

Meanwhile, several members of the Capitol press corps were writing articles about legislative secrecy, stemming from a March 13th closed Assembly meeting. *San Jose Mercury News* and *Los Angeles Times* investigations found that legislative committees had met secretly nearly 100 times in the past 30 months to vote lawmakers more than $1 million in perks. Press corps members debated about whether they should request the Legislature to conduct all of the public's business in public, but then turned down the idea after a majority said that reporters shouldn't lobby. They said political action should be left to another group, like the California Newspaper Publishers Association. Weeks later, however, the publishers had yet to act.

"Whether we'd want to get involved in a fight like that, I don't know. It would put us in a direct battle with the people we go to for things," said Dick Fitch, the head of the publishers' association's government-affairs committee and the publisher of two small Southern California dailies.

Various Capitol press corps members grumbled privately, observing that the publishers' association has "its own agenda" — issues about sales tax, labor laws, recyclable newspaper and the like. But reporters wouldn't have been surprised at the publishers' relative lethargy on closed-door legislative meetings had they remembered their Journalism 1 class. Invariably, the teacher at some point asks the students what they think is the main purpose of a newspaper. The students quickly respond that it's a noble one: to inform people about what's happening in their world. Wrong, says the teacher. The main purpose of a newspaper is to make money.

The exchange illustrates the media's split personality — a characteristic that has been underscored by recent events in Capitol lobbying. These events have raised questions about whether the media's business side dominates its journalistic side — the side that wants to provide people

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Teresa Simons is a Capitol reporter for United Press International in Sacramento.

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uncensored information and to ensure that the avenues to getting this information remain unclogged.

On the sales-tax issue, some media representatives contended it was a freedom-of-press issue, noting that the power to tax is the power to destroy. But others argued that publishers have no right to distinguish themselves from other businesses in seeking a sales-tax exemption, just like they shouldn't be — and aren't — exempt from income tax. A dozen states already levy sales tax on their newspapers. But even though the publishers may have been purely professional in their lobbying for the exemption, the lawmakers didn't seem to forget that they had gotten a call from a very important constituent — the one who virtually controls the way they'll appear to their other constituents. "I mean, you think the NRA's hard to resist," Republican Santa Clara Assemblyman Charles Quackenbush told the *Mercury News*. "A paper can tube your whole political career."

Nonetheless, publishers don't always consider themselves that powerful, even if they do buy ink by the barrel. And they carefully choose which legislation they're going to support or oppose. Ben Bagdikian, a nationally recognized expert on media ethics and a professor of journalism at the University of California at Berkeley, says publishers and broadcasters have every right to lobby for their business interests but urges them to "keep church and state separate." That is, publishers and broadcasters shouldn't hold back on an important freedom-of-information issue simply to gain a lawmaker's favor on a business issue. "These two frequently get to be bargaining chips," says Bagdikian, "and they will choose corporate favors over journalistic access if they have to."

Perhaps the most significant example of this was a decision by the *Detroit Free Press* to withhold from print cartoons critical of former Attorney General Edwin Meese at the same time he was considering whether the newspaper should be allowed to enter into a joint operating agreement with the *Detroit News* to save money. Meese ultimately decided in the newspaper's favor, and the U.S. Supreme Court recently decided to hear the case on appeal, setting the first Court review of the Newspaper Preservation Act of 1970.

While the media individually has not always had the best of track records in observing its dual roles, the California Newspaper Publishers Association (CNPA) has long been respected as a powerful voice in fighting for freedom of information, or FOI, causes. Over the past three decades, the association has been the main group responsible for the state's open-meetings law, its public-records act and its shield law, which protects a reporter's unpublished information and confidential sources. As recently as 1987, CNPA-led newspaper criticism resulted in the sidetracking of a surprise piece of legislation that would have removed investigative files of the Fair Political Practices Commission from the public record.

But some fear that CNPA's focus now may be changing. Bruce Brugmann, the feisty editor and publisher of the award-winning *San Francisco Bay Guardian* alternative newspaper and a leader in several FOI groups, is one of the few who are willing to criticize their more business-oriented colleagues on the CNPA board of directors. "They seem to be putting most of their chips on money issues and to be downgrading the FOI issues," Brugmann observes. He chides the publishers association for not insisting, either through a lawsuit or lobbying campaign, that the Legislature conduct more meetings in public. And he notes that, despite appeals from media lawyers, the publishers' association dragged its feet for six months before deciding to draft legislation to amend a law that made it virtually impossible for newspapers and broad-

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cast media to appeal court decisions restricting their access to public records. Brugmann also points critically to the publishers' decision not to take a position on various bills that would affect public access, such as one that would impose fines on agencies that don't release public records.

A list of bills on which the CNPA's government-affairs committee has taken a stand was printed in the association's May 22nd legislative bulletin. The list notes 25 bills, eight of which have to do with public-access issues and 17 of which have to do with business issues, such as advertising or workers' compensation. Of the public-access bills, the publishers agreed to support three, oppose three and take no stand on two.

A survey of other recent legislative bulletins put out by the publishers' association indicates they devoted three times as much space to discussion on bills affecting the publishing or broadcast business as they did on bills affecting public access to government records and meetings.

Dorais

Michael Dorais, a former lobbyist for the County Supervisors Association who went to work for CNPA in 1965 and now is its chief lobbyist and general manager, says he doesn't distinguish between freedom-of-information and strictly business-related legislation in recommending to the organization's board of directors which issues should take priority. Rather, Dorais says, the degree of attention he gives bills is based on "what is having the greatest impact on your ability to do business."

The publishers' association's top three priorities this year, for instance, were the withdrawn sales-tax measure, an ultimately amended bill to require the use of more recycled newspaper and a defeated bill that would have made it easier for public officials to sue the media for libel. But just as freedom-of-information issues really are business issues, Dorais contends, so too, business issues are really freedom-of-information issues. "Sales tax, for instance; you can say it's business but it's also FOI," Dorais says, going on to explain how the extra tax burden could potentially shut off another editorial voice.

Newspapers through the years have had uncanny success in blocking legislation that would hurt their interests. Many lawmakers fear a challenge to those interests would invoke the wrath of newspaper editorial writers. Don Burns, former president of the Capitol's lobbyists' association, claims Dorais' job is the easiest of all the lobbyists': "I just envy his ability to smile all the time. He can smile because nothing is going to get by that his client doesn't like. He has a 900-pound gorilla as a client and he can just turn that gorilla loose in each [lawmaker's] office."

Yet the publishers' association directors dispute that image of the state's media; they act more like pussycats than gorillas in describing their struggles on proposed legislation. Phelps Dewey, publishers' association president and assistant publisher of the *San Francisco Chronicle*, doesn't discount the importance of fighting for public-access issues. But he says, "At the present time we're besieged with other [business related] issues...We're just putting out fires right now."

Burns claims "You never have to make a campaign contribution if you own a newspaper." But, in a move still largely unknown among reporters and editors, the publishers began contributing to the campaigns of various lawmakers a few years ago, hoping that would open more doors to them when it came time to lobby on legislation. The contributions still don't set well with a number of publishers.

"As a journalist, I for one feel corrupted when the association starts to throw big money around the Legislature," Allen McCombs, a former president of the publishers' association and publisher of the *Chino Champion*, recently wrote in *California Publisher*, CNPA's in-house newspaper. From 1965 through 1988 the publishers' association paid $16,150 to get into various fund raisers and hobnob with the Capitol's influential. These payments included $2400 for Assembly Speaker Willie Brown of San Francisco, who has been sympathetic to various media issues in the past but recently turned up his nose to reporters' concerns about legislative secrecy, touting a legislative attorney's opinion that says lawmakers can meet in secret whenever they so decide.

Dorais justifies the publishers' association's emphasis on business-related issues, saying the group already has solved the state's major government-access issues. But Bob Ingle, executive editor of the *San Jose Mercury News*, calls California's public-access laws "pretty abysmal" compared to those in Florida, where he was a former editor of the *Miami Herald*. Noting the California Legislature's exemption of itself from most of the state's public-access laws, Ingle says: "The difference between there [Florida] and here is that in California the public-records act applies to every body in the state except one. And in California the conflict-of-interest law applies to every public body in the state except one." Ingle, whose newspaper recently was given an award by the CNPA, told publishers at the awards ceremony that it was more important for them to lobby for First Amendment issues than for pocketbook issues like a sales tax.

Recently, newspaper executives went beyond just not doing something about a public-access issue and actually stopped, at least temporarily, an effort to get more public access at the state Capitol. In the absence of the CNPA and other groups doing anything about the Legislature's closed meetings, the directors of the California First Amendment Coalition, a new group of media organizations, indicated they would be interested in suing the Legislature over the legality of its closed-door meetings. However, there have been some signs they may not have to. The Senate Rules Committee recently approved changes that will eliminate most of their closed door sessions, including those about committee appointments, benefits, salaries and research contracts. The new rules, though are still less restrictive than those on local governments under the state's Brown Act.

Dorais and other media attorneys selected to advise the group, however, argued against a lawsuit even before Rules acted. They said it could poison the atmosphere at the Capitol and keep newspapers and broadcasters from getting any number of things they wanted. The CNPA then carried an item in its May 22nd bulletin headlined, "Legislative open meeting lawsuit unlikely at present." The announcement said that most media attorneys advising the First Amendment Coalition agreed with Dorais that a lawsuit "would be premature and not a good idea — at least not at this time."

But Mel Opotowsky, the coalition's president and senior managing editor at *The Press-Enterprise* of Riverside County, immediately countered that the coalition may still go ahead with the lawsuit if a more political route doesn't work. He termed the CNPA bulletin's headline "wrong" and "premature at the very least."

Whether the lawsuit is launched or not, the on-going conflict between the hearts and minds of newspapers — their journalistic and business sides — will not soon be resolved.

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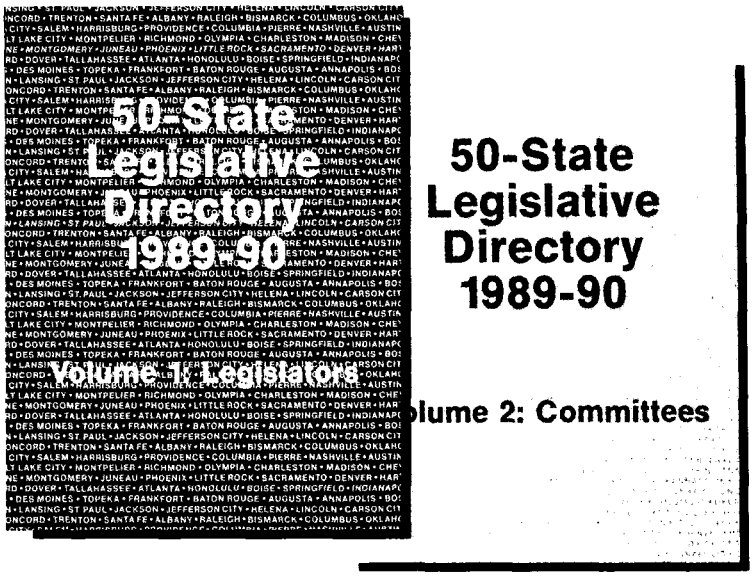

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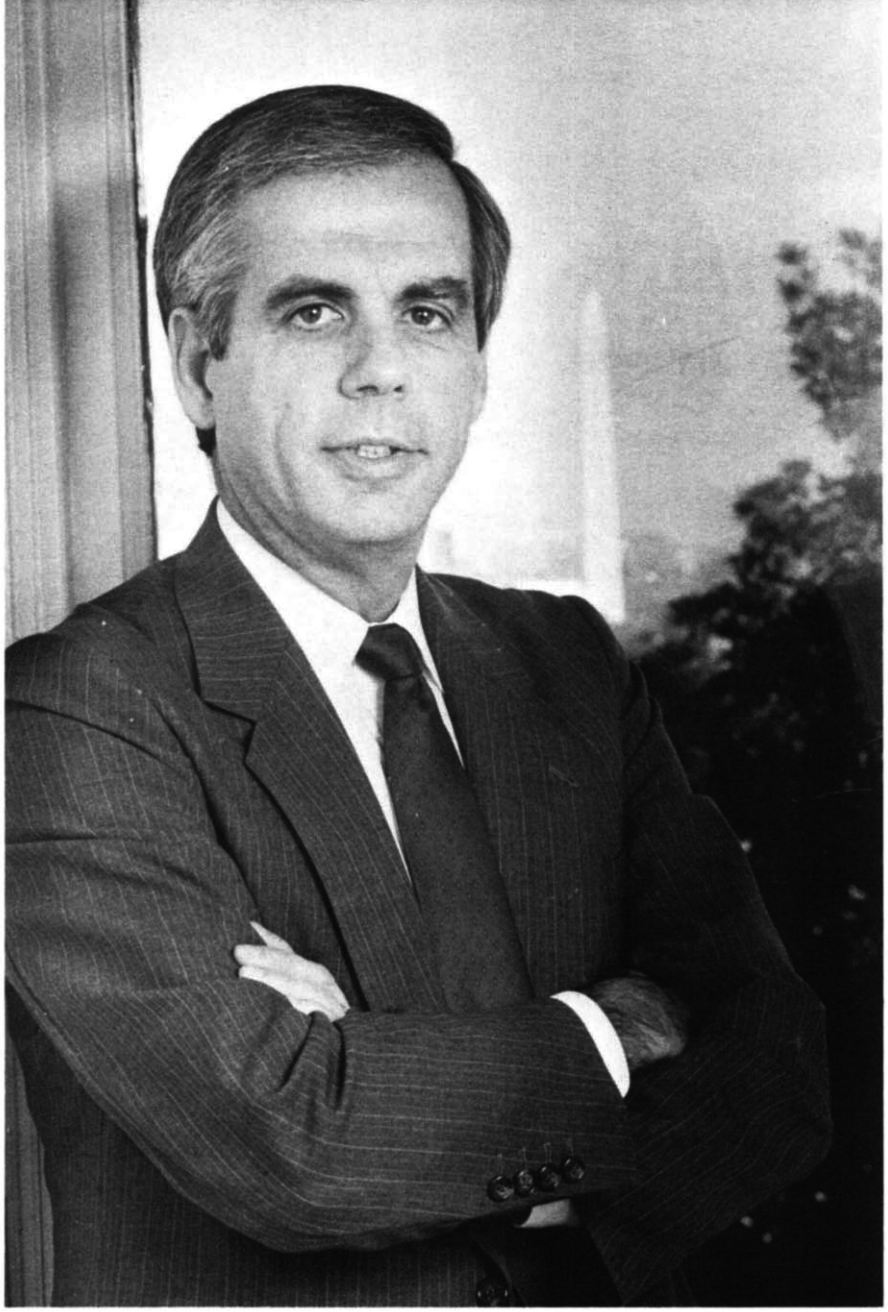

Photo by Rich Pedroncelli

Tony Coelho

California's heavy hitter bows out

By Michael Doyle

Michael Doyle is a reporter in the Washington bureau of McClatchy Newspapers.

The abrupt resignation of California's highest-ranking congressman, Democrat Tony Coelho of Fresno, leaves a power vacuum that the state's lawmakers will be struggling to fill for some time. From agricultural policy and federal water subsidies to the unending drive for a slice of the federal pie, Coelho had established himself as one of California's heaviest hitters in Congress. His resignation preceded that of Speaker of the House Jim Wright of Texas and was fostered by the same ethics frenzy that brought down the speaker.

Coelho brought California's brash style of campaign financing to the Potomac, a talent which his colleagues rewarded by making him House majority whip — the third-ranking member of the Democratic leadership team behind Speaker Wright and Majority Leader Tom Foley (who became speaker soon after Wright's resignation). As such, Coelho helped set the national legislative agenda. His hands were on the levers that allowed some bills to the floor, while leaving others to languish in committee. More than many lawmakers, Coelho could manipulate the congressional machinery for the direct benefit of his state or district.

As the representative of a San Joaquin Valley district stretching from Modesto to Fresno, Coelho made his direct legislative mark on farm issues. He pushed through the 1985 herd-buy-out program that benefited the state's dairy farmers, and he was lead negotiator for the huge agribusiness interests that rely on federally subsidized water. He played a key, if sometimes hidden, role on immigration-reform legislation.

While aggressively tending to the state's farm interests, moreover, Coelho was expressing his true love for political tactics and strategy. He showered money on other Democrats through his Valley Education Fund and helped direct campaign money or tactical assistance to certain districts throughout the country. He was, in short, a California politician of epic proportions, and now he is gone.

"It's a major loss," said Congressman George Miller, a Democrat from Martinez. "You have rare opportunities to have someone in the leadership, and you have even rarer opportunities to have someone as talented as Tony. The Coelhos in the political process come along once in a great, great while."

Coelho, who resigned on his 47th birthday (June 15th) in the midst of inquiries about his financial dealings,

Continued on page 303

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CONDIT VS. WHITESIDE

Assemblyman, mayor vie to replace Coelho

By Jim Boren

For a time, it looked as though every San Joaquin Valley politician from Hanford to Stockton would jump into the special election to fill Democrat Tony Coelho's 15th Congressional District seat. The race looked attractive for a number of reasons, but especially because officeholders would have a free ride in the September election.

Suddenly, however, the candidates started dropping like overripe plums in the orchards that dot the state's agricultural heartland. Some of these politicians realized

Whiteside

Condit

they didn't have a shot in this high-profile race, while others appeared to be encouraged to change their minds by the power brokers.

The maneuvering left Assemblyman Gary Condit of Ceres as the main Democratic candidate and Modesto Mayor Carol Whiteside as the main Republican candidate. There are two other announced candidates — Republican Robert J. Weimer of Atwater and Libertarian Roy Shimp of Merced — but most observers see the race as a battle between Whiteside and Condit. But while the field is close to being set, candidates will have until the end of July to file nomination papers, leaving others the opportunity to get into the race.

It appeared for a time that there would be a bruising battle between "Gang of Five" members Condit and Assemblyman Rusty Areias, a Los Banos Democrat. But Areias pulled the plug on his efforts, citing the friendship he built with Condit during their exploits last year as maverick Democrats in the Assembly. Some believe that Areias was pushed out of the race by Democrats who thought a tough battle with Condit could damage the party's chances of holding the seat. Condit's Assembly district overlaps with far more of the congressional district than does the district held by Areias. It would be embarrassing for the Democrats if the GOP won the 15th in the wake of Coelho's resignation over financial problems.

Jim Boren is a political writer for The Fresno Bee.

Currently, there are 253,929 registered voters in the district and registration marginally favors Democrats (55 percent to 36 percent, with nearly 7 percent declined-to-state).

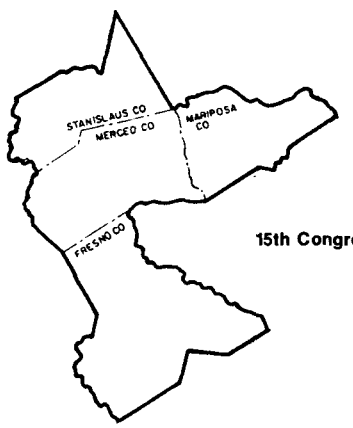
Republican National Chairman Lee Atwater would be touting the 15th District all over the country as his party began the 1990 battle for House seats. So those Democrats who thought that Condit was the strongest candidate did not like the idea of Areias slugging it out with him.

Areias' candidacy had been pushed by Fresno area Democrats — mainly Assemblyman Jim Costa and Congressman Richard Lehman — because they were concerned about Condit's ability to represent the southern portion of the district that runs from Stanislaus County south to Fresno County.

"I'm disappointed that Rusty decided not to run because I think he would have made an excellent candidate," Costa said. "I want to see a Democrat win that seat, and I am willing to sit down and talk with Gary. We have had some differences in the past." Costa said he is "most concerned" about Condit's willingness to work with Democrats in the California congressional delegation. The "Gang of Five" was a thorn in the side of the Democratic leadership in the Assembly.

"Gary's desire to work within the Democratic caucus in the Assembly has not been very positive," Costa said, who for a time also toyed with the idea of running for Coelho's seat.

But Condit pledged to work with all areas of the district and vowed to sit down with the Fresno lawmakers and



15th Congressional District

discuss their concerns. While the Democrats were maneuvering, Whiteside attempted to make points with rural voters in the district by naming Modesto agribusinessman Richard Lyng, agriculture secretary under President Reagan, to head her campaign. Whiteside also lined up a major GOP consultant, Ron Smith of Los Angeles, to run her campaign.

Condit signed up Coelho's consultant, Clint Reilly Campaigns of San Francisco, to handle his effort.

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assumes a pragmatic attitude toward his leaving.

"Everybody is replaceable, myself included," Coelho said. "I don't think that any one person is that important."

Since first winning election in 1978, after 14 years as a congressional aide to former Representative Bernie Sisk, Coelho set a career trajectory that at one point seemed headed straight for the speakership. With work days stretching 12 hours and longer, and a travel schedule that at one time only gave him two weekends home a year, Coelho exemplified the kind of ambition that takes advantage of any opening.

Miller, for one, now finds himself without a countervailing weight on water issues. Though personally close, Miller and Coelho represented opposing factions in the never-ending wars over western water policy.

Miller, who chairs the House Water, Power and Offshore Energy Resources subcommittee, expresses the Northern Californian's traditional skepticism about how Central Valley farms use their federally subsidized water. Coelho, who was raised on a dairy farm, represented the same interests once articulated by his mentor Sisk.

But like two competing long-ball hitters, Miller and Coelho bore considerable respect for one another's talents. They often worked out their differences privately, with Coelho showing a more progressive attitude than some of his valley predecessors. Last year, Coelho and Miller hammered out an agreement to keep federal monies going to the clean-up of Kesterson National Wildlife Refuge; in previous years, they compromised on how many acres corporate farms could own and still obtain subsidized water.

Miller laughs when he's asked point blank whether Coelho's leaving gives him the upper hand on California water issues.

"I hope so," Miller said.

A fellow member of the House Interior and Insular Affairs Committee, Sanger Democrat Richard Lehman, will also feel Coelho's absence. Lehman now finds himself the only valley lawmaker on the committee, where he will have to take the point position on key environmental and water issues. The lobbyists, constituents and other interests who once had three varied congressmen to approach (Fresno Republican Charles Pashayan left the committee earlier this year) now have but one.

"It's going to make my job a lot tougher," Lehman admitted.

Another Californian whose star may rise higher with the fall of Coelho's is West Sacramento Democrat Vic Fazio. Fazio is close to Coelho; he managed Coelho's 1986 bid to be majority whip, and he was one of the first House members contacted by Coelho when he had made his decision to resign.

Fazio sits on the energy and water subcommittee of the House Appropriations Committee, a seat that already makes him very handy to the state. He's also a deft player of the inside game and at one point was being mentioned as a candidate for a House Democratic leadership position. California lawmakers, asked about the effect of Coelho's departure, point to Fazio as an example of remaining strength.

Los Angeles Democrat Henry Waxman is the centerpiece of a Southern California clique that's likely to play an important role in district reapportionment following the 1990 census. Coelho and Waxman sometimes seemed to be competitors for clout among the state's Democrats, and Coelho's departure may give more juice to the political machine run by Waxman and fellow Los Angeles Democrat Howard Berman. Waxman, in fact, considered challenging for a leadership post once Speaker Jim Wright and Coelho resigned. But he withdrew, saying it was too late to marshal enough votes to overcome the likes of Missouri Democrat Richard Gephardt, who had been on the scent much longer.

The last time California went through reapportionment, of course, ultra-heavyweight Phil Burton ran the whole show. Burton, the late San Francisco Democrat who missed becoming House majority leader by one vote (losing to Jim Wright in the late 1970s), is a name that comes up often when California lawmakers talk about Coelho's leaving.

"When Phil Burton left the institution, it resulted in members assuming new roles," noted Sacramento Democrat Bob Matsui.

Certainly, California's 47-member congressional delegation has both talent and seniority — two traits that help fill power vacuums. Leon Panetta, a Monterey Democrat, chairs the House Budget Committee and is also adept at many of the same agricultural issues championed by Coelho. Democrat Glenn Anderson of Long Beach may not command the universal respect accorded Panetta, but his chairmanship of the House Public Works and Transportation Committee does help California gain access to the federal trough.

On the Senate side, Alan Cranston retains his leadership position as majority whip. Among House Republicans, Jerry Lewis of San Bernardino chairs the House Republican Caucus. There are others, too, and perhaps some dark horses who will really be able to shine in Coelho's absence — which is not to say Coelho won't be sorely missed by his allies. His special strengths were several.

Continued on next page

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A man who says he holds a special inner peace because of his successful coping with epilepsy, Coelho seemed utterly fearless in asking for Democratic campaign contributions. His chairmanship of the Democratic Congressional Campaign Committee from 1981 through 1986 helped secure the party's lock on the House and may prove to be his most lasting legacy.

This same dexterity at asking special interests for campaign funds established Coelho's own reputation as a fast mover. Thus, when revelations broke earlier this year that Coelho had invested $100,000 in junk bonds through Drexel Burnham Lambert in 1986, Republican partisans and others intimated that this should have come as no surprise.

"Much of his problems today are the perceptions that he created when he was with the D-triple-C, that he was somebody who was a wheeler and dealer, somebody who was a manipulator," Matsui said.

Coelho took his reputation into account when playing the inside game of politics that he loved so well. An example is his work on behalf of immigration reform.

During the first half of the decade, Congress was wrestling with massive immigration-reform legislation. Western agribusiness wanted to make sure the legislation included provisions for seasonal farm workers. When the Senate's original measure didn't include those allowances, Coelho helped make sure the bill didn't escape the House.

Coelho then urged formation of the so-called Farm-Labor Alliance to exert lobbying pressure. Rather than become the effort's visible leader, Coelho ceded the point position on farm-labor provisions to Panetta, while remaining active behind the scenes on what became the 1986 Immigration Reform and Control Act.

"I was campaign chair, and felt Leon was not perceived to be as political," Coelho explained.

Indeed, Coelho struck some as being more interested in tactics than in policy. Others, more sympathetic to Coelho's style and appreciative of his effectiveness, say that tactics and substance ultimately meld into one.

When his colleagues elected Coelho whip in 1987, he began easing himself away from the intense partisanship that marked his initial career. He also started broadening his legislative horizons beyond the strictly parochial, in a conscious effort at making himself more of a national party leader.

He didn't forget his district, however. Last year, for instance, Coelho slid a provision into a $3.9 billion drought-relief bill that specifically benefited the small Oakdale and South San Joaquin irrigation districts near Stockton and Modesto. Some Republicans, newspapers and others decried the extra layer of hometown aid, but Coelho made sure his amendment survived.

"I can tell you straightaway that that would not have happened without Coelho," said one source close to the House Agriculture Committee. "That was through his position as whip."

As Congress enters the labyrinth that's supposed to end in a 1990 Farm Bill, Coelho was expected to take the lead on the bill's dairy provisions. State officials were hoping he'd funnel them more aid for refugees, while Central Valley residents believed he could help deliver new Amtrak service through the valley. For these Californians and others, the departure of Tony Coelho means a considerable loss in clout and potential.

For Coelho, who wears a Mickey Mouse watch as a reminder of impermanence and humility, this sense of loss will also pass.

"I think California will do very well," Coelho said.

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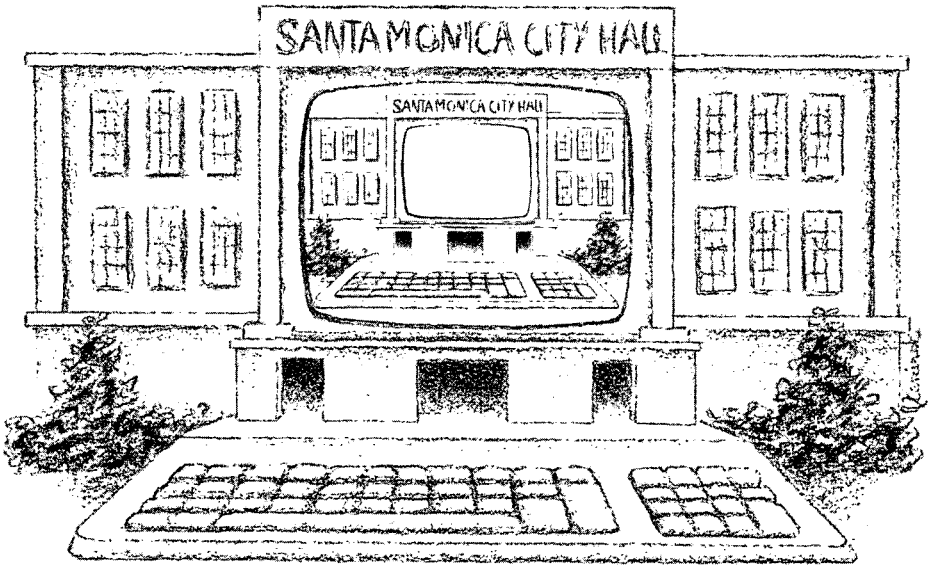

Santa Monica: a well-connected city

By Louise Yarnall

With a great rumble and grinding whine, trash trucks once each week woke up Herman Rosenstein at precisely 6 a.m. And he was tired of it. Very tired.

So he called his son Paul and asked him to check with the city about its laws on trash trucks. Paul, an electrician who works from early morning until late afternoon, knew he'd have a hard time reaching anyone by telephone.

Not to worry. He tapped the question into his personal computer and sent it to City Hall by modem. The next day he found a message waiting for him in his computer mailbox: City law barred trash trucks from running until 7 a.m. The next time Harold was awakened at 6 a.m., he should call the police. This is no futuristic scenario from a science-fiction novel; it's real life in Santa Monica, California, in 1989.

In February, Santa Monica became the first city in the nation to let its citizens go "on line" with City Hall using a free computer program called the Public Electronic Network (PEN). With a few taps on the computer keyboard, city residents can chat with a City Council member, read meeting agendas, find out about entertainment and park services, and even hold conferences with other citizens about anything from Zen koans to pollution in the Santa Monica Bay.

Santa Monica City Hall has become a lot more accessible to people whose schedules usually don't allow time for letter-writing and long evening meetings. Bureaucrats also like the ease of just zapping a quick informal electronic mail message back to a citizen, rather than composing a long letter.

The program eliminates the hassles of telephone tag and the process of shuffling letters from department to department for days before they land on the right desk. PEN has also created a new kind of town-hall forum called the "electronic conference." People debate issues, tell bad jokes, introduce themselves, attack and praise each others' arguments — all in the soothing environment of the electronic ether.

Where else could the city attorney who fathered the city's tough rent-control law debate a landlord attorney for days right in public view? Where else could someone launch into a quasi-philosophical discussion about the disorganized "entropic" quality of electronic conferences, only to be interrupted by someone else who wanted to talk about Irish limericks? And where else can City Council members see themselves reduced to another few blips on the screen — really no different from all the other blips?

The system has a charming sloppiness in some respects, a seductive convenience in others, and is undeniably democratic. It's also a hit. In the first week, 50 to 100 applications a day streamed in. Ken Phillips, Santa Monica's director of information services, had modestly hoped to have about 500 participants — at best 1000 — in the first year. After just three months, about 1150 people were registered and 600 logged on at least weekly. On PEN's inaugural day, Santa Monica officials were swamped with telephone calls from media organizations ranging from *Time* magazine to ABC Television's "Good Morning, America." City officials have also become popular speakers on the government technology lecture circuit and have been busily fielding queries from other cities, counties and nations. The city now has compiled an information packet and video to handle the bulk of such requests.

"Santa Monica seems to be leading the way," said Sheri Erlewine, spokeswoman for the League of California Cities. "There is a trend that citizens are demanding more information on local issues. What it [the technology] allows us to do is reach a different segment of the citizens."

Santa Monica resident Paul Rosenstein finds PEN liberating. He recently protested an item on a City Council agenda and won a postponement of a crucial vote without ever having to set foot inside the Council chambers. He first spotted the item while reviewing the Council agenda on his computer over the weekend. Then he electronically protested the item by sending messages to the seven Council members and the

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Louise Yarnall writes about city government and politics for The Outlook *in Santa Monica.*

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local press. They all received the messages in time for the Tuesday night meeting. On Wednesday morning, Rosenstein ate breakfast and watched the previous night's Council meeting on his VCR as a Council member read excerpts of the electronic protest and urged a postponement of the vote.

It dawned on Rosenstein at that moment just how beautiful the system was: "We don't have to participate on their schedule. We can participate on our schedule. It adds a whole dimension to my ability to participate."

City Councilwoman Judy Abdo, the most electronically prolific elected official, not only likes the convenience of a system that allows her to do city business at midnight, but she believes PEN improves communication between citizens and elected leaders.

"I think that it makes me accessible to more people and it allows me to have a better understanding of what people in the community are thinking about — particularly people who don't usually write letters or call," Abdo said.

Other government agencies interested in duplicating Santa Monica's program usually ask first about the bottom line: How much does it cost? Santa Monica had its hardware and software donated at an estimated value of about $350,000. Phillips says, however, that comparable programs could be set up for less than $100,000.

The biggest cost is the hardware. For security against hackers, most government agencies want to get a separate mainframe and avoid opening their regular business computers to the public. There are a variety of ways to cut down the purchase cost. The city of Pasadena, which plans to implement a similar program in the next year, contracts with a private computer firm for the hardware. As another alternative, a group of government agencies may pool their resources and buy a mainframe together, suggests Lynn Gardner, Hewlett Packard's marketing manager for the state and local government/education department.

Erlewine expects that many government agencies will start using some kind of interactive computer technology in the next few years. She thinks it may take longer, however, before there's widespread use of a system as comprehensive as Santa Monica's. Santa Monica is unique. In most cities, only about 11 percent of the population have computers, while nearly a third of Santa Monica's residents have them. Santa Monica plans to help spread use to those who don't have personal computers by putting some public-access terminals in places like the city library.

Technology like Santa Monica's PEN offers hope for a future where computers — long viewed as the culprits in alienating citizens and turning people into numbers — can be used to bring some people closer to their government. But there is also a risk that others may be left behind. Technology can alienate people who do not have access to it or the wherewithall to use it. As government moves along the technology track, it must be aware that some of its poorest and least-educated citizens — those most often in need of government's help — may not be able to keep up.

BALLOT FRONT

A roundup of statewide initiative proposals. All statutes require 372,178 valid signatures; constitutional amendments require 595,485. In parenthesis is the deadline for sponsors to submit signatures to county clerks.

New in circulation:

REAPPORTIONMENT — an initiative constitutional amendment, sponsored by John Stoos and Chris Fellersen of Sacramento, that would require that all Assembly districts be composed of reasonably equal numbers of registered voters; Senate districts be composed of two Assembly districts; and Board of Equalization districts be composed of 10 Assembly districts. Currently, legislative districts are based on overall population, rather than registered voters. This is the eighth reapportionment initiative of the decade. (August 28th)

AIDS — an initiative statute, sponsored by Bruce Decker of the Health Policy and Research Foundation (Los Angeles), Dr. Michael Gottlieb (Sherman Oaks) and Reverend William Wood of the California Catholic Conference (Sacramento), that would create an AIDS Research Trust Fund to administer, promote and fund AIDS and HIV research and award grants for treatment methods, research and education. It would also allow state income-tax credits for tax years 1990 through 1994, and allow insurance companies "gross premiums tax credit." This is the seventh AIDS-related initiative in the past four years. (October 27th)

RIGHT TO BEAR ARMS — an initiative constitutional amendment, sponsored by Paul Chamberlain of Sacramento, that would prohibit infringment of the "right of people to keep and bear arms." The measure would allow the Legislature to require a license to carry a concealed weapon but provides that the license be revoked "only by reason of criminal record, mental illness, drug abuse, or other good cause related to personal character." (October 30th)

SPLIT ROLL PROPERTY TAX — an initiative constitutional amendment, sponsored by Bill Zimmerman of Santa Monica, that would raise non-residential property tax rates to 2.2 percent and the annual assessment cap to 5 percent. The residential tax rate would remain unchanged. The measure also raises the homeowner's exemption from $7000 to $57,000 for homes valued under $1 million and increases the renters' tax credit. Revenues generated by the additional property taxes would be divided among counties and the state, for assistance to the homeless and for loans to "first-time" home-buyers. Some revenues may also go to cities. (October 30th)

CRIMINAL LAW — an initiative constitutional amendment sponsored by GOP state Senator Ed Royce of Anaheim, Colleen Thompson Campbell of San Juan Capistrano, and Kern County District Attorney Edward Jagels. If passed, the measure would provide that, in criminal and juvenile cases, an accused would have "no greater constitutional rights than the federal Constitution affords." Among other provisions, it would also prohibit post-indictment preliminary hearings, establish the "People's right" to due process and a speedy public trial, expand the definition of first-degree murder, increase penalties for specified murders and expand special-circumstance murders subject to the death penalty. (November 6th)

ELECTION DATES — an initiative statute, sponsored by Thomas Neece of San Francisco, that would require that city, county and state elections to be held on a weekend (Saturday *and* Sunday) following the designated Friday when any city, county or state taxes are due and payable. (November 6th)

SCHOOL PRAYER — an initiative constitutional amendment, sponsored by Eunice Parquet of Oakland, that would allow silent prayer or meditation in public schools, including the Lord's Prayer to be said aloud for graduation, plays and assemblies in state schools for those who wish to pray. (November 6th)

Source: Secretary of State

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Frank Fat:

catering to politicians

By Katharine Macdonald

There is a framed poster on the wall of Frank Fat's, the Chinese restaurant a block and a half west of the Capitol on L Street. The poster's bold red print proclaims, "Tort Mania, 1987," and the scrawled signatures of Assembly Speaker Willie Brown and state Senator William Lockyer, chairman of the Senate Judiciary Committee, appear beneath a reproduction of a paper napkin covered with doodles.

Atypical restaurant decor; not your everyday restaurant.

In her newly-published memoir, "First Father, First Daughter," Maureen Reagan describes Frank Fat's as "a wonderful Chinese restaurant that doubles as the political watering hole in the state capital," and writes of her first dinner there: "People were table-hopping all around us. I had never been in the

Katharine Macdonald is a Capitol reporter for the San Francisco Examiner.

Photo by Rich Pedroncelli

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middle of such action..."

The squiggles on the napkin reproduced in the poster hanging in the restaurant aren't aimless doodles; they are the outline of a compromise, hammered out during a late-night meeting at Fat's, which significantly revamped tort law in California.

It wasn't the first time the restaurant played host to deal-making, and it won't be the last. Frank Fat's is more than just a restaurant. And it's more than a political hangout. Fat's is so much a part of the Sacramento scene that some people — including Assembly Speaker Willie Brown — believe the success or failure of a legislative leader can turn at least in part on showing up there.

Ultimately, Frank Fat's is a symbol — an extremely profitable symbol — of an immigrant's triumph in a once-hostile world.

Frank Fat (who is now 85 years old and retired but still going strong) was 16 in 1919, when he arrived in this country from his native Canton. He spent his first month in California, fabled in China as a land of opportunity called "The Golden Mountain," detained on Angel Island by immigration authorities.

Fat's first job in California was washing dishes at Sacramento's staid Sutter Club. One day, at work, he cut his hand badly, and that, Fat says, was "the end of my job." So he got another job that he could perform with one hand: At a downtown Sacramento beauty parlor, Fat earned $3 a week pouring hair tonic into bottles and then pasting labels on the bottles. When his hand healed, he got a job picking pears. For the next four years, during an era of intense anti-Chinese discrimination (which Fat downplays — at least in conversations with strangers), he worked at a variety of jobs, mostly in restaurants, in a number of American cities including Sacramento, Akron, Cleveland, Youngstown, Detroit and Chicago.

In 1923 Fat went home to China to visit his parents and discovered they had decided it was time he married. They'd also found a bride for him. It was a time, Fat says, of arranged marriages, a time when, "it was all obedience to parents." When three years later, Fat returned to America he left his wife and infant son, Wing, behind in China. By 1935 Fat had made enough money working in Sacramento as a waiter to send for his family.

Four years after he brought his wife and son to Sacramento, Fat paid $2000 for the property and liquor license of an Italian restaurant near the Capitol called the San Carlo Cafe. It was not the ideal purchase. The kitchen, in the style of Italian restaurants then, was in the middle of the dining room, and Fat had to remodel. He charged 35 cents for lunch and 65 cents for dinner, and he began to break even after eight months. The L Street location was then "very poor, very tough." It was such a bad location that Fat's friends, he says, told him he was "crazy" to open a restaurant there.

One mark of just how sane Fat was when he bought that first restaurant: The last time he remodeled it, he paid about $1 million to get the look he liked. There are four restaurants now (three in Sacramento and one in San Diego), and most of his numerous children and grandchildren work in the family business. Fat shies away from discussions of his net worth, but he is generally understood to be a multi-millionaire.

Frank Fat would rather talk about riches in the form of friendship, and he says "the best part" of his restaurant's success comes through "all the people" who come there. His pride is clear when he says some families have been patrons for four or five generations. Although the restaurant is known as a political watering hole, Fat says, "It's not politicians" that he likes so much, "It's people. I like all people. I love them."

Willie Brown says one of the reasons politicians have a particular fondness for Fat, and for his Capitol-area restaurant, is that "things we've said and done at Frank Fat's never showed up in the newspaper." Brown is also convinced that his regular appearances at Fat's help him stay in power. "One of the speaker's jobs," Brown says, "is access by the membership in an informal setting. And Frank Fat's is a cornerstone of that."

Former Assembly Speaker Robert Monagan, talking into a tape recorder for an oral history project, once said that an effective speaker has "just got to be in contact with people all the time. You've got to make yourself known in the Frank Fat's of the world." Sherry Bebitch Jeffe, senior associate at the Center for Politics and Policy at Claremont Graduate School, who directed the oral history of the Assembly's modern-day speakers, says her study concluded that "a good speaker must have sociability ... being in places like Fat's, and available to members, is an important part of the speaker's job."

Jeffe adds, "All of the modern speakers, with one exception of Leo McCarthy, were identified as sociable — meaning that they hung out."

Monagan's reign was sandwiched between two strikingly dissimilar speakerships: those of the late state Treasurer Jesse Unruh and McCarthy who is the current lieutenant governor. The endings of Unruh's and McCarthy's speakerships speak volumes in support of the validity of the "speaker sociability factor." Unruh, whose sociability problems had mostly to do with excess, managed to hang onto the speakership until the Republicans became the majority party. McCarthy, who routinely drove home to San Francisco and rarely put in an appearance at Sacramento night spots, was toppled by an insurrection from within his own party.

Willie Brown thinks McCarthy's speakership came to an end at least partly because of his failure to show up at Frank Fat's. And Jeffe says her study supports that notion. "The legislators I interviewed," she says, "indicated that one of the problems with Leo McCarthy's speakership was that he was not sociable, and this was a problem which may have helped instigate a successful challenge to his leadership."

The value of a place like Fat's for all legislators, says Jeffe, is that "a lot of the compromise and negotiation necessary to the legislative process occurs at places where legislators are outside the bell jar that is the Capitol. So they're more relaxed and open. It's a non-polarized, non-charged situation in which little details that might influence the life or death of legislation can be ironed out among peers."

But not everyone — not even every legislator — cares to pass significant numbers of evenings in what is, after all, a dimly-lit restaurant with a bar running the length of its front room.

Assemblyman Tom Bates, a Berkeley Democrat, says he avoids the "good-old-boy network that operates at Fat's," mostly because "I choose to spend my time with my family [Bates is married to Berkeley Mayor Loni Hancock], rather than with the third house [lobbyists] ... also, I don't find it pleasurable to socialize that way, hanging out at the bar and telling stories." The only impact his preference for home over bars has had on his career, Bates says, is that "it takes me out of the rumor, gossip and lie circuit." Bates believes "information is power, and information is exchanged at Frank Fat's." Bates adds that it's easy to get the information "elsewhere. There are no secrets [in the Capitol]. The rumor mill here is unbelievable."

But Jeffe argues that the value of a place like Fat's "has little to do with gossiping; it has everything to do with accessing."

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ROLL CALL

GAS TAX
AB 471 (Katz) Would increase the state's fuel tax by five cents a gallon and truck-weight fees by 30 percent while tying future increases to inflation. Passed the Assembly May 25th, 54-12. Senate Committee on Transportation.

GUN PURCHASES
AB 497 (Connelly) Would delay for 15 days the purchase of all rifles and shotguns as well as handguns and would require that all private sales go through licensed dealers. Passed the Assembly June 6th, 48-24. Senate Judiciary Committee.

INFERTILITY INSURANCE COVERAGE
AB 900 (Waters, M) Would require group health insurance plans to offer coverage for treatment of infertility. Passed the Assembly June 13th, 44-30. Senate Committee on Rules.

SOLID WASTE DISPOSAL
AB 939 (Sher) Would eliminate the state Waste Management Board and replace it with a smaller panel which would emphasize recycling and other alternatives to garbage dumping in landfills. Passed the Assembly June 12th, 47-17. Senate Committee on Rules.

HOMELESS VETS
AB 1507 (Hauser) Would require the Department of Veterans Affairs, upon determining the rent or lease of foreclosed property, to give first priority to public or private organizations serving homeless veterans and second priority to public housing agencies. Passed the Assembly May 25th, 46-26. Senate Committee on Veterans Affairs.

JOBS FOR THE HOMELESS
SB 616 (GREENE, L.) Would require the Employment Development Department, coordinating with local public agencies, to develop a program to provide job services to homeless individuals residing in emergency shelters. Passed the Senate May 18th, 38-0. Assembly Committee on Labor and Employment.

LOCAL SALES TAX — SCHOOL FACILITIES
SB 1085 (Greene, L.) Would allow for a one-half cent increase in local sales taxes to fund schools and other governmental public works except roads. The increase would be proposed by a special county authority and approved by a majority of voters. Passed the Senate June 1st, 23-11. Assembly Committee on Local Government.

HOMELESS TRUST FUND
SB 1353 (Alquist) Would establish the California Homeless Trust Fund and allow taxpayers to designate on their tax returns specified amounts in excess of their tax liabilities to be transferred to that fund to be used to provide emergency shelter for the homeless. Passed the Senate May 26th, 23-6. Assembly Committee on Revenue and Taxation.

GANN LIMIT AMENDMENTS
SCA 1 (Garamendi) Would allow the budget to grow based on personal income, as well as population and inflation (limits set by the 1979 Gann limit). Would also allow the school-funding guarantee established by Proposition 98 to increase by enrollment and per capita personal income as well as enrollment and inflation. Passed the Senate June 8th, 30-4. Assembly Committee on Ways and Means.

GENERAL OBLIGATION BONDS — LOCAL AGENCIES
SCA 2 (Leonard) Would allow local agencies to issue general obligation bonds for public works projects — and increase property taxes to pay the debt service — with approval of a majority of voters instead of the currently required two-thirds vote. Passed the Senate June 1, 34-3.

SENATE

Democrats	SB 616	SB 1085	SB 1353	SCA 1	SCA 2
Alquist	Y	Y	Y	•	Y
Ayala	Y	Y	Y	Y	Y
Boatwright	Y	Y	Y	Y	Y
Deddeh	•	Y	Y	•	Y
Dills	Y	Y	•	Y	Y
Garamendi	Y	Y	•	Y	Y
C. Green	Y	Y	Y	Y	Y
B. Greene	Y	•	•	Y	•
L. Greene	Y	Y	•	Y	Y
Hart	Y	Y	Y	Y	Y
Keene	Y	Y	Y	Y	Y
Lockyer	Y	N	Y	Y	Y
Marks	Y	Y	Y	Y	Y
McCorquodale	Y	N	Y	N	Y
Mello	Y	Y	Y	•	Y
Montoya	Y	Y	•	•	Y
Petris	Y	Y	•	Y	Y
Presley	Y	Y	Y	Y	Y
Robbins	Y	•	•	•	Y
Roberti	Y	Y	Y	Y	Y
Rosenthal	Y	Y	Y	Y	Y
Torres	Y	Y	Y	Y	Y
Vuich	Y	N	Y	Y	Y
Watson	Y	•	•	Y	•

Republicans	SB 616	SB 1085	SB 1353	SCA 1	SCA 2
Bergeson	Y	N	Y	Y	Y
Beverly	Y	Y	N	Y	Y
W. Campbell	Y	N	Y	Y	Y
Craven	Y	Y	Y	Y	Y
Davis	Y	Y	Y	Y	Y
Doolittle	Y	•	N	Y	•
Leonard	Y	N	N	N	Y
Maddy	Y	•	•	Y	Y
Morgan	Y	•	Y	Y	Y
Nielsen	Y	Y	•	Y	Y
Rogers	•	N	N	N	N
Royce	Y	N	N	N	N
Russell	Y	N	N	Y	N
Seymour	Y	N	•	Y	Y
Stirling	Y	N	Y	•	Y
Independents					
Kopp	Y	Y	Y	Y	Y

ASSEMBLY

Democrats	AB 471	AB 497	AB 900	AB 939	AB1507
Areias	Y	Y	N	Y	Y
Bane	Y	Y	Y	Y	Y
Bates	Y	Y	Y	Y	Y
Bronzan	•	Y	•	Y	Y
W. Brown	Y	Y	Y	•	Y
Burton	Y	Y	Y	•	Y
Calderon	•	Y	Y	•	Y
R. Campbell	Y	Y	Y	•	Y
Chacon	Y	Y	•	•	Y
Clute	Y	Y	Y	Y	Y
Condit	•	Y	Y	Y	Y
Connelly	Y	Y	Y	Y	•
Cortese	Y	Y	Y	Y	Y
Costa	Y	Y	Y	•	Y
Eastin	Y	Y	Y	Y	Y
Eaves	•	Y	Y	Y	•
Elder	•	Y	Y	Y	Y
Epple	Y	Y	Y	Y	Y
Farr	Y	Y	Y	Y	Y
Floyd	Y	•	Y	Y	Y
Friedman	Y	Y	Y	Y	Y
Hannigan	Y	Y	Y	Y	Y
Harris	Y	Y	Y	Y	Y
Hauser	Y	Y	Y	Y	Y
Hayden	Y	Y	Y	Y	Y
Hughes	Y	Y	Y	Y	Y
Isenberg	Y	Y	Y	Y	Y
Johnston	Y	Y	Y	Y	Y
Katz	Y	Y	Y	Y	Y
Killea	Y	Y	Y	Y	Y
Klehs	Y	Y	Y	Y	Y
Lempert	Y	Y	Y	Y	Y
Margolin	Y	Y	Y	Y	Y
Moore	Y	Y	Y	Y	Y
Murray	Y	N	Y	Y	Y
O'Connell	Y	Y	Y	Y	Y
Peace	•	Y	Y	Y	Y
Polanco	Y	Y	Y	Y	Y
Roos	Y	Y	•	Y	Y
Roybal-Allard	Y	Y	Y	Y	Y
Sher	Y	Y	Y	Y	Y
Speier	•	Y	Y	Y	Y
Tanner	Y	Y	Y	Y	Y
Tucker	Y	Y	Y	Y	•
Vasconcellos	Y	Y	Y	Y	Y
M. Waters	Y	Y	Y	•	Y
N. Waters	Y	Y	Y	Y	Y

Republicans	AB 471	AB 497	AB 900	AB 939	AB 1507
Allen	Y	•	N	•	N
Bader	N	N	N	•	•
Baker	Y	N	N	N	N
Bentley	Y	N	N	N	N
D. Brown	N	N	N	N	N
Chandler	•	N	N	Y	Y
Felando	•	N	N	Y	N
Ferguson	Y	•	N	N	•
Filante	Y	Y	•	Y	N
Frazee	Y	N	N	N	Y
Frizzelle	Y	N	N	N	N
Hansen	Y	•	N	Y	N
Harvey	N	N	N	Y	N
Hill	•	N	N	•	•
R. Johnson	Y	N	N	N	N
Jones	N	N	N	•	N
Kelley	Y	N	N	•	N
LaFollette	N	•	N	Y	N
Lancaster	•	N	N	•	N
Leslie	Y	Y	N	N	N
Lewis	N	N	N	N	N
McClintock	N	N	N	N	N
Mojonnier	•	N	Y	N	N
Mountjoy	N	N	N	N	N
Nolan	N	•	N	N	N
Pringle	N	N	N	•	N
Quackenbush	Y	Y	N	•	N
Seastrand	N	N	N	N	N
Statham	•	•	•	N	•
Woodruff	Y	N	N	Y	N
Wright	Y	N	N	N	N
Wyman	N	N	N	N	N

Source: State Net

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WASHINGTON PERSPECTIVE

By LARRY LIEBERT

Tony Coelho

Tony Coelho has always been a man of contradictions — a hard-charging, vindictive partisan who nonetheless spoke incessantly of his "inner peace" and treated his close friends with tenderness. In that sense, it was very much in character that the defiant political brawler chose a seemingly contradictory response to the biggest challenge of his career in Congress: He threw in the towel.

IT WAS FRIDAY NIGHT, MAY 26TH. Washington was expecting a weekend devoted to talk-show speculation about when and how embattled House Speaker Jim Wright would face the grim facts and resign. But the bulletin that moved on the *New York Times* news service was the utterly unexpected announcement by House Democratic Whip Coelho of Merced that he was stepping down from Congress because of his own ethics problems.

Coelho insisted in his interview with the *Times* that he could have won his planned bid for House majority leader and could have been vindicated in a prolonged investigation of his purchase of a junk bond. "But at what cost to me?" he asked. "At what cost to my party? At what cost to my cause?"

Coelho's allies and friends were stunned, but some noted that his political boldness had always stemmed from a firm belief that he could walk away from it all.

"The fact that he suffered enormously as a young person with epilepsy had a real, lasting effect on the way he lives his life," said San Francisco political consultant Clint Reilly. "He has a firmness that other politicians lack. It is based on a deep inner self-confidence."

At a moment when Wright was still flailing away, Coelho reached his decision by applying his formidable sense of political pragmatism to a brutally honest assessment of his own situation. There was also a characteristic touch of vindictiveness to Coelho's manner of parting. He gave an exclusive interview to the *New York Times*, thereby depriving first shot at the news to the competing *Washington Post* and *Los Angeles Times*, which had been relentless in investigating his junk bond.

In 1986 Coelho purchased $100,000 in junk bonds that the firm of Drexel, Burnham, Lambert was making available only to favored customers. It was not until reporters were on his trail that Coelho disclosed the bonds were initally purchased for him by — and later financed with a loan from — Bevery Hills savings-and-loan executive Thomas Spiegel.

In a story that was overshadowed by Coelho's resignation announcement, the *Los Angeles Times* revealed on May 27th that the congressman had done Spiegel's Columbia Savings and Loan a favor: Coelho arranged a meeting for its lobbyist with House Banking Committee member Richard Lehman, a Sanger Democrat. The subject of that meeting: The savings and loan wanted to lobby against reform legislation that would have required S&Ls to make more old-fashioned home mortgage loans and fewer "direct investments" in junk bonds and land deals.

In the 1980s deregulation of the S&Ls meant higher, more competitive rates for depositors but also sent the industry scrambling for higher-yield investments. At the same time, the safety net of federally insured deposits encouraged reckless investments. Ultimately, the result was the collapse of some of the S&L industry and the multi-billion dollar federal bailout now underway.

Cozy relations between savings-and-loan executives and politicians have been standard operating procedure. Consider Charles Keating Jr. During the years that his Arizona-based company operated Lincoln Savings and Loan in Orange County, he and his relatives and executives gave hundreds of thousands of dollars to politicians across the country.

One Spring evening in 1987, four of the most frequent recipients of Keating's largesse gathered in a Senate office. The senators — Democrats Dennis DeConcini of Arizona, Alan Cranston of California and John Glenn of Ohio and Republican John McCain of Arizona — summoned Ed Gray, who was chief regulator of savings and loans. By Cranston's account, they merely urged Gray to wrap up an investigation of Keating's operation that was "dragging on and on." But Gray, branding Cranston's version as somewhere between a "half-truth" and a "flat-out lie," insists the senators demanded that he withdraw enforcement of a regulation that would limit Keating's ability to invest in junk bonds and land deals.

"Here you had United States senators asking the chief regulator to withdraw a regulation for a person who happened to be a friend and contributor," Gray said. "If that isn't a subversion of the regulatory process, I don't know what is."

Gray, who now runs a savings and loan in Miami, said the intervention by Cranston and his colleagues is doubly embarrassing in light of what has happened since. In April, Keating's company in Arizona declared bankruptcy and federal regulators moved in a day later to seize control of Lincoln Savings and Loan.

Keating insists that he has done nothing wrong. At last report he was being investigated by the FBI on fraud allegations. He was also being sued on behalf of 23,000 people who claim they were duped into buying potentially worthless bonds in Keating's company when they really wanted federally-insured accounts in Lincoln.

SURPRISINGLY, CONSIDERING HIS USUAL political caution, Cranston has embraced Keating's cause whole-heartedly. In May, Cranston told the *San Francisco Chronicle* that the troubles of Lincoln are all the fault of "dumb action" by the federal regulators who seized it.

"There was a vendetta going on, developed between Keating, on the one hand, and the regulators on the other," maintained Cranston, a senior member of the Senate Banking Committee. "I think they made a very unwise decision in shutting them down when they did."

Larry Liebert is Washington bureau chief for the San Francisco Chronicle.

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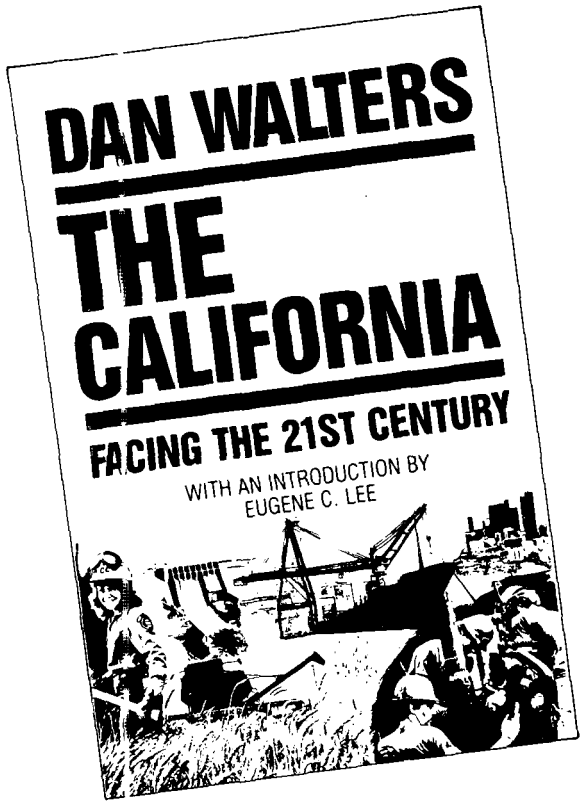
Books from California Journal



The New California — Facing the 21st Century

by Dan Walters
with an introduction
by Eugene C. Lee

The *Sacramento Bee's* well-known political correspondent, Dan Walters, recently completed a 9000-mile odyssey through California's 58 counties which resulted in a 15-part series in the *Bee*. The articles describe the socioeconomic future of the nation's largest state and the political implications of these trends. This lively and insightful series is now available in book form. The 180-page book contains numerous charts with detailed political and demographic data. Price: $8.95.

California's Legislature *by James Driscoll.* This is a 256-page comprehensive book on the state's Legislature with six chapters covering every aspect of the institution in detail. This latest edition has been completely revised to include data through the 1986 session. Other chapters cover the executive and judicial branches, constitutional history, election law, media, the capital building and numerous appendices with statistical data and information on the flags of California, seals, the governor's mansion and the origin of California place names. 1986, 6 x 9″, 256 pages, paperbound, $4.95. Bulk discount: 10-49 copies, $4.55 ea.; 50-99 copies, $4.25 ea.; 100 or more, $3.95 ea.

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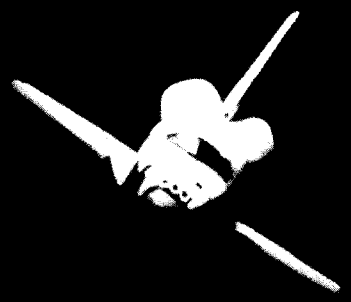

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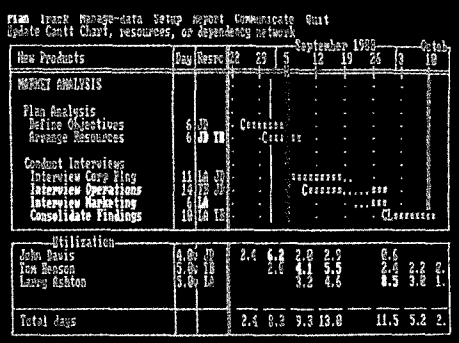

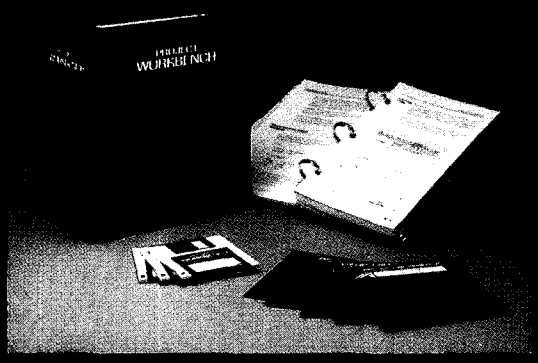

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Hardware Requirements: IBM PC, XT, AT, PS/2 or compatible; IBM 3270 PC; Wang PC; DEC Rainbow; DEC VAXmate

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